

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

DARRICK AND YOLANDA GRIMES,

Plaintiffs,

vs.

FREMONT GENERAL CORPORATION,
FREMONT INVESTMENT AND LOAN,
JONATHAN TANENBAUM, AMERICA'S
SERVICING COMPANY, U.S. BANCORP, AND
U.S. BANK, NATIONAL ASSOCIATION, AS
TRUSTEE FOR MASTER ASSET BACKED
SECURITIES TRUST 2006-FRE-1,

Defendants.

Civil Action No. 08-cv-01024 (JGK)

**DECLARATION OF
STEVEN M. HECHT IN SUPPORT
OF MOTION TO DISMISS
COMPLAINT PURSUANT TO RULE
12(b)(6) FOR FAILURE TO STATE A
CLAIM**

I, **STEVEN M. HECHT**, hereby declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am a member of the law firm Lowenstein Sandler PC, attorneys for Defendants America's Servicing Company ("ASC"), U.S. Bancorp ("US Bancorp") and U.S. Bank N.A. as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 ("US Bank/Trustee" and, collectively with ASC and US Bancorp, the "Moving Defendants") in the above-captioned matter. As such, I am familiar with the facts set forth herein. I submit this Declaration in support of the Moving Defendants' Motion to Dismiss the Complaint Pursuant to Rule 12(b)(6) for Failure to State a Claim.

2. Attached hereto are true and correct copies of the following documents:

<u>EXHIBIT</u>	<u>DOCUMENT</u>
Exhibit A	Complaint dated January 29, 2008 filed by Plaintiffs in this matter
Exhibit B	Exhibit 3 to the Complaint filed by Plaintiffs in this matter

Exhibit C	Exhibit 12 to the Complaint filed by Plaintiffs in this matter
Exhibit D	Exhibit 5 to the Complaint filed by Plaintiffs in this matter
Exhibit E	Amended Answer dated July 9, 2007 filed by Plaintiffs in the foreclosure action pending against them in New York State Court, Index No. 06-10714
Exhibit F	Verified Complaint dated December 21, 2006 filed by U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 in the foreclosure action pending against Plaintiffs in New York State Court, Index No. 06-10714
Exhibit G	Exhibit 4 to the Complaint filed by Plaintiffs in this matter
Exhibit H	Exhibit 8 to the Complaint filed by Plaintiffs in this matter
Exhibit I	Exhibit 9 to the Complaint filed by Plaintiffs in this matter

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated June 16, 2008

/s/ Steven M. Hecht, Esq.
Steven M. Hecht (SH-0414)

LOWENSTEIN SANDLER PC

1251 Avenue of the Americas
New York, New York 10020
Tel.: 212.262.6700
Fax: 212.262.7402

*Attorneys for Defendants America's Servicing
Company, U.S. Bancorp, and U.S. Bank, N.A. as
Trustee for Master Asset Backed Securities Trust
2006-FRE-1*

Exhibit A

JUDGE KOELTL

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Darrick Grimes and Yolanda Grimes,

Plaintiffs,

v.

Fremont General Corporation, Fremont Investment
and Loan, WCS Lending LLC, Jonathan Tanenbaum,
America's Servicing Company, U.S. Bancorp and
U.S. Bank, National Association, as Trustee for
Master Asset Backed Securities Trust 2006-FRE-1

Defendants.

Civil Action No.:
Jury Trial Demanded

COMPLAINT

PRELIMINARY STATEMENT

1. The ownership of a home is a fundamental bridge to financial security that has become an indispensable part of the "American Dream". It is the bedrock of economic security, as well as the primary vehicle by which families build wealth. Each year, predatory lending extracts billions of dollars of wealth from African-American homeowners and low-income and minority communities, depriving homeowners of their hard-earned equity and vitiating the promise of financial security that is the cornerstone of homeownership. Home equity accounts for more than one-third of the average net wealth of United States households. The lending industry has a long history of engaging in racial discrimination in connections with mortgage loans made to African-Americans, with products and terms that are drastically worse than those given their Caucasian counterparts.

2. Predatory lenders target the equity, and ultimately the homes, of vulnerable homeowners by extending unaffordable loans packed with excessive fees and interest rates. In recent years, predatory lenders have aggressively marketed an array of "exotic" or "non-traditional" loans to vulnerable homeowners. Many of these loans carry deceptively low initial "teaser" rates and other abusive terms, which obscure the true cost of the loan. By qualifying the

borrower for these loans at the initial rate, despite the borrower's inability to make future payments, lenders almost guarantee that the borrower will default on the loan.

3. Predatory lenders aggressively fuel this process by rewarding mortgage brokers with an incentive structure that pays the broker more compensation through the yield spread premium ("YSP") for steering consumers into loans with higher interest rates than they qualify for with less favorable terms such as prepayment penalties. Subprime loans are high-cost mortgage products that are theoretically given to borrowers who have impaired credit. During the past 10 years, an entire "subprime" industry has been spawned by larger "profits generated by the higher rates and exorbitant fees charged to "high risk" borrowers.

4. Predatory lenders are also rewarded through higher interest rates for making so-called stated income loans or low documentation loans where the borrower's income is not verified through traditional documentation of income— even where documentation is, in fact, available. Thus, it is not surprising that the proliferation of predatory loans in the subprime mortgage market is one of the primary causes of the nationwide foreclosure epidemic.

5. In 2006, the Center for Responsible Lending, a non-profit research organization, found that even when income and credit risk were accounted for, African-American were still 31% to 34% more likely to receive higher rate subprime loans, and that the disparities between them and Caucasians with the same risk factors were "large and statistically significant". The lending industry has a long history of engaging in racial discrimination in connection with mortgage loans made to African-Americans, with products and terms that are drastically worse than those given to their Caucasian counterparts. Recently, the Federal Reserve Board concluded that African-Americans were more likely to pay higher prices for mortgages than their Caucasian counterparts.

6. The United States Inspector General cited that report as showing "significant" differences, making it "clear" that African-Americans were "much more likely to get higher-priced loans" than Caucasians. In addition to carrying higher interest rates, subprime loans to African-American are typically laden with improperly disclosed fees, including excessive

prepayment penalties which effectively prohibit borrowers from refinancing at a fairer rate.

7. The Center for Responsible Lending estimates that families lose \$23 billion each year from their home equity wealth because of prepayment penalties in subprime mortgage loans. African-Americans are more than three times as likely as Caucasians to be put into one of these equity-draining subprime loans. These predatory tactics have been disproportionately applied and targeted toward members of the African-American community.

8. In addition or in the alternative, under the guise of these purportedly facially-neutral subprime loan policies and practices, Defendants, Fremont General Corporation, Fremont Investment and Loan and WCS Lending LLC had a discriminatory effect and created statistical disparities so great between African-American and Caucasian mortgagees as to be functionally equivalent to intentional discrimination. The use of Adjustable Rate Mortgages (ARM) consisting of a lower fixed rate for a short-term periods, followed by an increase to a higher, adjustable rate which would then increase every six month for the remaining years of the loan. These loans were known as 2/28 loans (2 year fixed/ 28 year adjustable rate).

9. Borrowers were qualified for ARM loans based on only the initial "teaser rate" without regard to their ability to pay beyond that teaser rate. Fremont mortgage brokers often promised borrowers they could simply refinance before the ARM adjustment, without disclosing that such refinancing was entirely dependent on continued price appreciation on their home.

10. In 2004, African-Americans homeowners who received subprime mortgage loans from Fremont Investment and Loan were 30% more likely to be issued high rate risky loans than Caucasian borrowers with the same qualifications. In another study, the National Community Reinvestment Coalition determined that lending institutions in six major metropolitan areas engaged in "pervasive discriminatory and predatory practices", including making high cost subprime loans to higher-qualified African-Americans 54% of the time, compared to 23% of the time for Caucasians, even when Caucasian applicants were similarly, and often less, qualified.

11. These statistical disparities are not mere happenstance, but instead result from a

systematic and predatory targeting of African-Americans. African-American and Caucasian borrowers with the same qualifications should be treated equally. Instead, Fremont and WCS Lending have intentionally discriminated against African-American borrowers through deceptive, unfair acts and fraudulent practices to obtain a financial benefit for their own accounts. During the last decade, African-Americans have joined Hispanic borrowers in helping to fuel a multiyear housing boom, accounting for 49% of the increase in home ownership from 1995 to 2005, according to Harvard Joint Center for Housing Studies. Nonetheless, African-Americans are far more likely to have their "American Dream" unduly burdened with subprime loans than their Caucasian counterparts. While some borrowers in the subprime market are genuine credit risks, African-American borrowers have been targeted and illegally steered into subprime loans.

12. The unsoundness and unduly lending practices by Fremont by way of 100% financing, typically through an arrangement that provided one loan for 80% and a second, piggyback loan" for 20% of the purchase price. The disproportionate impact of foreclosures on minority communities, in particular African-American communities may be a predictable, but no less disturbing, reflection of the fact that African-American borrowers are more likely to receive high-rate risky APR loans than their white counterparts, regardless of their income levels or credit scores, which again has been confirmed by the Federal Reserve Board, recently released mortgage lending data under the federal Home Mortgage Disclosure Act ("HMDA"). The Defendants have engaged in a predatory subprime lending scheme, knowingly making loans with high loan-to-value ratios, in this case to borrowers who qualify for lower-cost or prime loans, in what amounts to a kind of "reverse redlining".

13. In September 2007, the 2006 Home Mortgage Disclosure Act data was released. The Federal Reserve Board's analysis of the data showed that high -APR lending is "notably greater" for African-Americans and Latinos than for non-white Latinos. This analysis of the 2006 HMDA data "revealed substantial differences across racial and ethnic lines in the incidence of higher-priced lending and in denial rates." The complexity of the issue should not be underestimated; we cannot ignore economic factors, but neither can we ignore a history of housing discrimination and resulting segregated housing patterns, imbalanced and unequal

access to financial services, and discriminatory lending practices.

14. The Plaintiffs bring this lawsuit to enjoin Defendants from continuing their discriminatory practices, to compel them to adhere to compliance of applicable federal and state laws, and to ensure Defendants' continuing compliance with applicable federal and state laws.

THE PARTIES

15. Darrick Grimes and Yolanda Grimes are African-Americans homeowners who face the possibility of losing their home because, they fell prey to a scheme to defraud. They were defrauded through forgery of signatures on documents as well as other deceptive and fraudulent acts of misrepresentation relative to obtaining a mortgage.

16. Darrick Grimes is an African-American male who currently lives in Newburgh, New York. Yolanda Grimes is an African-American female who currently lives in Newburgh, New York for the past two years. They currently reside in their home located at 23 Stacy Lee Drive, Newburgh, NY 12550 (the "subject property") which is the home they have resided in since October 29, 2005.

17. Upon information and belief, Fremont General Corporation is a publicly traded corporation organized under the laws of the State of Nevada and maintains its principal place of business at 2425 Olympic Boulevard, 3rd Floor, Santa Monica, California 90404 ("**Fremont General**").

18. Upon information and belief, Fremont Investment and Loan is a wholly owned subsidiary of Fremont General Corporation and is organized under the laws of the State of California and maintains its principal place of business at 2727 East Imperial Highway, Brea, California 92821 ("**Fremont Investment and Loan**").

19. Upon information and belief, Fremont Investment and Loan is a licensed mortgage banker in the State of New York and is and has been at all relevant times a wholly owned subsidiary of Fremont General.

20. Upon information and belief, at all relevant times prior to the commencement of

this lawsuit, Fremont Investment and Loan was owned, dominated and controlled by Fremont General.

21. Upon information and belief, Fremont Investment and Loan is a wholesale lender, obtaining all of its loans through a network of independent mortgage brokers to sell unduly risky loans that were designed to fail, including loan products with 100% financing and adjustable rate mortgages (2/28 and 3/27 ARMs) with dramatic increases in monthly payments after two or three years.

22. Upon information and belief, Fremont Investment and Loan requires all brokers that it contracts with to become affiliated with Fremont Investment and Loan as well as its loan approval process.

23. Upon information and belief, Fremont Investment and Loan offers and sells its mortgage product, including the Adjustable Rate Mortgage products to consumers in the State of New York.

24. Upon information and belief, Fremont Investment and Loan structured loan products where borrowers were qualified for adjustable rate mortgages based upon the initial "teaser" lower interest rate, without regard to their ability to repay the debt back at a higher adjustable interest rate where monthly payments would increase with the adjustment rate.

25. Upon information and belief, WCS Lending LLC is a licensed mortgage broker under the laws of the State of Florida and maintains its principal place of business at 6501 Congress Avenue, Boca Raton, Florida 33487 ("WCS Lending").

26. Upon information and belief, WCS Lending is organized under the laws of the State of Florida and is a licensed mortgage broker in the State of New York.

27. Upon information and belief, Jonathan Tanenbaum is a licensed mortgage broker in the State of Florida and an employee of WCS Lending.

28. Upon information and belief, Jonathan Tanenbaum and WCS Lending acted as agents of Fremont Investment and Loan in carrying out the acts described in this complaint.

29. Upon information and belief, American Servicing Company is the loan servicing company of Wells Fargo & Company, NA, and is a wholly owned subsidiary of Wells Fargo & Company, NA. Upon information and belief, American Servicing Company is organized under the laws of Iowa and maintains its principal place of business at One Home Campus, X2302-02J, Des Moines, Iowa 50328. ("America's Servicing Company").

30. American Servicing Company is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.

31. Upon information and belief, U.S. Bank, National Association is a national banking association and, acts as Trustee for Master Asset Backed Securities Trust 2006 FRE-1 and/or any assignee and is organized under the laws of the State of South Carolina. ("U.S. Bank").

32. Upon information and belief, U.S. Bancorp is a bank holding company and maintains its principal place of business at 800 Nicollet Mall, Minneapolis, Minnesota 55402-4302.

33. U.S. Bancorp is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.

34. Upon information and belief, U.S. Bank, National Association, is the trustee for the securitization pool that contains the Grimes loan pursuant to a Pooling and Servicing Agreement dated August 1, 2006 between American Home Mortgage Assets, LLC, Wells Fargo Bank, N.A. and U.S. Bank, National Association as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 holds the pool and issues mortgage-backed pass through certificates.

35. Upon information and belief, U.S. Bank, National Association's principal corporate office for administration of this trust is located at 800 Nicollet Mall, Minneapolis, Minnesota 55402-4302.

36. U.S. Bank, National Association is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.

37. Upon information and belief, US Bancorp is the custodian that holds the Grimes' mortgage loan. U.S. Bancorp is a bank holding company with offices at 800 Nicollet Mall, Minneapolis, Minnesota 55402-4302.

STATEMENT OF FACTS

38. In 2005, Darrick and Yolanda Grimes were looking to sell their home in St. Albans, New York, to purchase their second home, a one-family property located at 23 Stacy Lee Drive in Newburgh, New York. They presently reside in this home with their two children.

39. The Grimes' submitted an application to Washington Mutual sometime in July, 2005 for a mortgage. On or about September 5, 2005, the Grimes were informed of Washington Mutual's denial for mortgage financing. They immediately began searching for other mortgage financing, as they had put a down payment on the property located at 23 Stacy Lee Drive, Newburgh, New York and did not want to risk losing their deposit.

40. On September 6, 2005, Yolanda Grimes' did an internet search through Nextag.com to locate a lending source. Her search revealed three different banks that would be willing to finance the transaction. Out of the three banks, Ms. Grimes chose one, Jonathan Tanenbaum of WCS Lending. The following day, Mr. Tanenbaum sent an e-mail introducing himself and his firm WCS Lending LLC as a reputable mortgage brokerage firm.

41. Mr. Tanenbaum told the Grimes he could help them obtain their mortgage financing at a reasonable 7% interest rate, enabling them to finance the purchase of their house. Mr. Tanenbaum also told the Grimes' that because he was dealing directly with lenders and investors, he would be able to find financing that would meet the lending guidelines and therefore incur the lowest costs possible in connection with the loan.

42. Mr. Tanenbaum collected personal and income information from the Grimes' in order to process a loan application, including the Grimes social security number, driver's licenses and bank statements and arranged an appraisal of the home.

43. On or about September 12, 2005, Mr. Tanenbaum advised the Grimes that Mrs. Grimes had pre-qualified for mortgage financing up to the amount of \$418,000 based upon in his words: "specifically, your credit history and assets are excellent and your income conforms to our investor guideline. From the time of the application, I would expect to obtain a mortgage commitment in approximately two (2) weeks." The Grimes received the mortgage application and related disclosure documents for a loan with a **fixed 7% annual interest rate** on September 13, 2005. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 1.

44. Upon information and belief, on September 13, 2005 Mr. Tanenbaum and another WCS Lending employee submitted the Grimes' mortgage application (without the Grimes knowledge) and related pre-disclosure documents to Fremont Investment and Loan on behalf of the Grimes. The mortgage application and pre-disclosure documents contained forged signatures as well as falsified information relating to inflated income ("Phantom Rental Income). A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 2.

45. Upon information and belief, on September 13, 2005, WCS Lending sent the Grimes' a packet of documents which included the mortgage application and related pre-disclosure documents with instructions for them to sign and return certain forms. A copy of said disclosure documents is attached hereto as Exhibit 3.

46. Upon information and belief, on or about September 13, 2005, Mr. Tanenbaum advised the Grimes's via e-mail communication that the signed mortgage application was not required for submission to Fremont Investment and Loan's underwriting department and that the appraisal of the house came in at \$460,000.

47. On or about September 14, 2005, the Grimes' told Mr. Tanenbaum that they

thought the approval process was being delayed. Mr. Tanenbaum assured the Grimes' that everything was moving smoothly. A copy of said disclosure documents is attached hereto as Exhibit 15.

48. Mr. Tanenbaum then informed the Grimes that he needed a Residential House Lease to support their mortgage application in the event their house in St. Albans, New York was not sold prior to closing date. His explanation for this was that the underwriters would have a level of comfort if the Grimes' were renting out their house in St. Albans, New York and receiving additional rental income, as opposed to carrying two mortgages.

49. The Grimes strongly opposed any suggestion that the house had rental income and did not supply Mr. Tanenbaum with a Residential House Lease because they were uncomfortable with lying in order to procure a mortgage. A copy of said documents is attached hereto as Exhibit 16.

50. They felt their combined incomes were more than enough to qualify for a decent mortgage and if not, they had nothing to lose because they already owned a home with substantial equity built-in over the course of seven years.

51. Mr. Tanenbaum responded that it was routine and that he would speak directly with the underwriters. For the next few weeks the Grimes were in touch with Mr. Tanenbaum via e-mail communications and telephone on a weekly basis.

52. Upon information and belief, on September 16, 2005, Fremont Investment and Loan notified WCS Lending and Jonathan Tanenbaum that the two mortgages were approved for the Grimes with certain terms and conditions. At no point in time, were Darrick and Yolanda Grimes aware that the mortgage had been approved on September 16, 2005. Mr. Tanenbaum and Fremont General, Fremont Investment and Loan and WCS Lending intentionally concealed the terms and conditions of the loan approval on September 16, 2005. A copy of documents is attached hereto as Exhibit 5.

53. Upon information and belief, on or about September 16, 2005, the conditional loan approval and issuance of the mortgage commitment letter was delivered by Fremont Investment and Loan to WCS Lending. A copy of said documents is attached hereto as Exhibit 5.

54. At no time between September 16, 2005 and October 12, 2005, did Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum provide written correspondence or confirmation, e-mail communications or a final underwriting loan approval letter to the Grimes. A copy of Fremont Loan Tracking documents are attached hereto as Exhibit 7.

55. Under the terms of the loan, the conditional loan approval by Fremont Investment and Loan was on September 16, 2005 and October 11, 2005, respectively and the Grimes did not receive any mortgage commitment letters on the initial or final loan approval.

56. Upon information and belief on September 16, 2005, Fremont Investment and Loan approved two mortgages in the amount that is described in the HUD-1 Settlement Statement and Good Faith Estimate. Even still, the Grimes never received a mortgage commitment letter from Fremont or WCS Lending. A copy of said documents is attached hereto as Exhibit 5 and Exhibit 6.

57. Upon information and belief on September 26, 2005, Fremont Investment and Loan issued a Conditional Countered Offer on two approved mortgages in the amount of \$405,000 and \$22,500 respectively, to WCS Lending as noted in the HUD-1 Settlement Statement and Good Faith Estimate. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 5.

58. On or about September 20, 2005, the Grimes' completed, signed and dated the mortgage application and related pre-disclosure documents with a fixed interest rate of 7.0% and submitted said documents to WCS Lending for mortgage financing. The Grimes combined income statements showed that they were earning roughly \$5,443.65 in net income and

\$8,007.14 in gross income per month for their respective employment. Copies of said document are attached hereto as Exhibit 3.

59. During the time period between September 22, 2005 and October 11, 2005, Mr. Tanenbaum and WCS Lending were intentionally concealing and stalling the Grimes' advising them that the loan was still pending with the lender when in fact the loan had been approved on September 16, 2005.

60. Mrs. Grimes kept asking and requesting from Mr. Tanenbaum to provide a copy of the mortgage commitment letter and the final numbers and terms and conditions of the mortgage loan **prior to closing**. Each time Mr. Tanenbaum came up with an excuse, which the Grimes' have now learned was a stalling tactic.

61. On or about October 4, 2005, Mrs. Grimes sent an e-mail to Mr. Tanenbaum again asking for the final numbers prior to closing. Again, Mr. Tanenbaum stalled them. The Grimes began to become very concerned as well as the Sellers since a mortgage commitment letter had not been issued. The Grimes even considered consulting another mortgage broker or bank. They advised Mr. Tanenbaum that they were considering consulting someone else to do the transaction and Mr. Tanenbaum continued to delay and stall but reassured the Grimes that he was working with a lender to obtain a reasonable fixed rate 30 year mortgage at 7% or thereabout.

62. The Grimes subsequently called Mr. Tanenbaum again to inform him that they were very concerned about the delay in obtaining a mortgage approval or commitment letter at a reasonable interest rate and they did not want to risk losing or forfeiting their earnest money deposit.

63. The Grimes advised Mr. Tanenbaum that the Sellers were extremely concerned about the long delay in obtaining mortgage financing and that transaction would need to proceed in a timely manner.

64. In response, Mr. Tanenbaum told the Grimes not to worry and explained that as long as the valuation and appraisal on the house was above market, the approval of the loan would come in shortly. Mr. Tanenbaum added that after one or two years he would help the Grimes to refinance the mortgage into an even better loan without having to pay any additional closing fees and costs, and that this would be possible because WCS Lending would assist them with dramatically improving their credit scores.

65. These statements convinced the Grimes to wait a couple of more days for the approval of the mortgage with the lender. The Grimes were again relying on Mr. Tanenbaum's statements.

66. At no time during the time period between September 16, 2005 (the date the mortgage was approved) through October 12, 2005 did Fremont General, Fremont Investment and Loan, WCS Lending or Mr. Tanenbaum reveal, disclose, inform or provide a copy of any mortgage commitment letter issued by Fremont Investment and Loan or approval letter regarding the terms and conditions of the loans that were approved. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 6.

67. The loan that the Grimes received, from Fremont Investment and Loan was not a fixed-rate 30 year mortgage, but an adjustable rate mortgage (2/28) that contained a higher interest rate of 8.45% with a payment of \$3,807 that would call for an adjustable-rate increase in two years (after December 1, 2007) at an even higher interest rate.

68. At the time the loans were originated, the Grimes had a joint net income of \$5,489.26 per month. Their fully amortizing payment on the first monthly mortgage was \$3,807 per month, including school and property taxes and the second monthly mortgage was \$227 per month. A copy of said documents is attached hereto as Exhibit 14.

69. Thus when Fremont Investment and Loan was in the process of originating and approving the loans, the loans were virtually designed to fail. Borrowers were placed in a position where the event of default was certain when the reset rate took place and their failure to make future payments would lead to a default, which in turn would lead to a foreclosure action, as it was predictably unsustainable for the borrowers to repay the debt.

70. Through repeated misrepresentations, concealment of terms and conditions and inaccurate disclosures, WCS Lending, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum prevented the Grimes from comprehending the truly destructive nature of the loan.

71. Defendants, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum engaged in unfair and deceptive conduct on a broad scale in connection with selling mortgage loans to New York State consumers, by selling exceedingly risky mortgage loan products that Fremont Investment and Loan knew or should have known were designed to fail, and including loan products that combined 100% financing, no income documentation ("stated income" loans), and adjustable rate mortgages that caused large increases in monthly mortgage payments after two (2) or three (3) years.

72. Moreover, Fremont General and Fremont Investment and Loan recklessly and aggressively pursued a business model of compensating mortgage brokers who referred business to them on a regular basis. Fremont Investment and Loan wholesale lending business grew by selling those loans through third-party mortgage brokers and providing financial incentives to those mortgage brokers to sell even higher costing loan products. Fremont failed to meaningfully monitor or control the unfair and deceptive conduct used by mortgage brokers of WCS Lending to sell Fremont Investment and Loan's loan products.

73. Such conduct by WCS Lending in this case included the submission of forged and falsified documents; steering and inducing borrowers into unsuitable loan products; and misleading borrowers about reasonable loan term offers and their ability to refinance to lower costing loan products.

74. Defendants, Fremont General, Fremont Investment and Loan and WCS Lending knew or should have known that certain loan products were unsuitable for the Grimes and that the Grimes' lacked the ability to repay the loans.

75. Fremont General Corporation and Fremont Investment and Loan also failed to exercise oversight over its mortgage brokers' network and failed to properly disclose broker

compensation in a timely manner prior to closing.

76. The Defendants' fraudulent and deceptive actions violated numerous federal and state consumer-protection laws, including the Truth in Lending Act; the Home Ownership and Equity Protection Act; the Real Estate Settlement Procedures Act; the New York State Deceptive Practices Act; the New York State Usury Law; and the common law doctrines of fraud and conspiracy to commit fraud.

77. The Grimes did not receive the Fremont "Mortgage Commitment Letter" or any written communications from WCS Lending or Fremont Investment and Loan regarding the terms and conditions of the loan or the formal approval of the loan until the day of closing of the loan (October 12, 2005). At this point, they had already put an earnest money deposit down on the home they were trying to purchase and did not want to risk losing their deposit. They were shocked at the closing to find out what the real numbers were.

78. The interest rate had changed from the interest rate on the application that they had signed, the mortgage was an ARM and not a traditional fixed 30 year mortgage, and there were fees being charged that were never discussed between the Grimes and Mr. Tanenbaum.

79. The Grimes' closed under extreme duress. They were bamboozled and sandbagged at the closing in front of the Sellers, their attorney and the real estate brokers. There was no way to get clarity regarding the numbers in this transaction from Mr. Tanenbaum, because unfortunately, he was out of the office on vacation on the day of the closing. The Grimes also tried to reach Mr. Tanenbaum on his mobile phone, but to no avail.

80. When the Grimes returned home they began to feel uneasy about the transaction. They worried that they had been pressured into a bad deal without being allowed to properly review the terms and conditions of the loans or the loan documents as well as properly consult with their attorney.

81. The Grimes called Mr. Tanenbaum several times per day for approximately one week after the closing, both at work and on Mr. Tanenbaum's mobile phone, intent on

refinancing or modifying the terms of the mortgage they had been pressured into signing – to no avail.

82. Documents relating to the Grimes mortgage reveal that the terms they ultimately received were considerably different than both the terms described by Mr. Tanenbaum and the terms reflected in the initial disclosure documents that WCS Lending or Fremont Investment and Loan had mailed to the Grimes several weeks earlier.

83. Defendants, Mr. Tanenbaum, WCS Lending and Fremont Investment and Loan misrepresented, misled and intentionally concealed the true terms and conditions of the loan to the Grimes regarding several material facts of the loan, enticing them to sign a loan that stripped tens of thousands of dollars in equity from their home; that would cost them, over the life of the loan, almost two-and-a-half times as previously represented; and whose monthly payments would quickly rise above their ability to repay, exposing them to significant risk of foreclosure.

84. Unbeknownst to the Grimes the 7% interest rate that they were promised lasted for only one day.

85. Upon information and belief, on the September 16, 2005, the conditional loan approval delivered to WCS Lending indicated that the initial interest rate for the first mortgage was structured at 8.00% Adjustable Rate fixed for 2 years with a 1.5% Yield Spread Premium and the second mortgage at 11.99% for 15 years fixed. A copy of said document is attached hereto as Exhibit 5.

86. Upon information and belief, the conditional loan approval rate of 8.00% on September 16, 2005 increased to a final loan approval on October 11, 2005 to 8.45% by Fremont Investment and Loan. A copy of said document is attached hereto as Exhibit 5.

87. The actual loan the Grimes were qualified and approved for by Fremont Investment and Loan was a first mortgage at 8.45% adjustable rate fixed for 2 years and second mortgage at 12.49% for 15 years fixed with a 1.5% Yield Spread Premium to the mortgage broker paid by Fremont.

88. On October 12, 2005, the day of the closing, the Grimes' received a first

mortgage of \$405,000 with an interest rate of 8.45% and a second mortgage of \$22,500 with an interest rate of 12.75% from Fremont Investment and Loan. The monthly payment for the first mortgage was approximately \$3,807.87 for the first twenty-four months which covered both interest and principal per month (including escrow for school and property taxes); the monthly payment for the second mortgage was \$277.18. The first mortgage was structured as an ARM, originating as a 2/28 residential mortgage loan product.

89. Defendants, Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending knew or should have known that the Grimes did not have sufficient income to repay the loan as structured by the lender. The Grimes combined income statements showed that they were earning roughly \$5,443.65 in net income and \$8,007.14 in gross income per month from their respective employment. A copy of said income statements is attached hereto as Exhibit 14.

90. Moreover, because the second mortgage contained a significant prepayment penalty for the first year (six months' interest) refinancing within the first year in order to avoid the payment shock of the reset would only further add to the growing principal balance, making refinancing the monthly payments unaffordable for the Grimes. This prepayment penalty effectively trapped the Grimes into a loan that they could not afford.

91. The HUD-1 Settlement Statement dated October 12, 2005, indicates that \$11,365 in broker fees and miscellaneous fees were paid to WCS Lending for "steering" the Grimes to the subject lender, and that the Grimes' incurred \$22,649.38 in settlement charges. A copy of the HUD-1 Settlement Statement dated October 12, 2005 is attached hereto as Exhibit 13.

92. The HUD-1 Settlement Statement indicates that the settlement charges were \$22,649.38. The charges on this statement do not add up correctly and include "addendum charges" of \$19,690.

93. The HUD-1 Settlement Statement also indicates that Fremont Investment and Loan paid WCS Lending \$6,074.75 as an "YSP", or service release premium, commonly known as a yield spread premium ("YSP"). By its definition a yield spread premium is a rebate retained by the broker. Lenders pay these rebates on high-rate loans.

94. Upon information and belief, WCS Lending provided no service to the Grimes nor did they add any additional value to the transaction except to induce and steer the borrowers

into a loan with unfavorable terms and high risk.

95. The HUD-1 settlement statement also shows that WCS Lending was paid a \$945 "Processing Fee" out of the proceeds of the loan.

96. Upon information and belief, WCS Lending received this compensation from Fremont Investment and Loan solely for the purpose of steering and inducing the Grimes' to take out a loan on terms less favorable than were otherwise available to them.

97. The initial mortgage disclosure documents that the Grimes received from Fremont Investment and Loan and WCS Lending obscured the true terms of the loan and even reinforced Mr. Tanenbaum's misleading description of the loan. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 3.

98. The "monthly mortgage payment" far exceeded the Grimes net monthly income by any reasonable income to debt expense ratio of 74.5% per month which would result in their inability to repay each month.

99. The first and second monthly mortgage payments of \$4,084.00 per month was 74.5% the Grimes' combined net monthly income of \$5,443.65. This clearly shows that the Grimes could not afford said mortgage going forward. How were they expected to pay other expenses and additional debts?

100. The Defendants sole purpose of concealing and misleading the true cost of the adjustable rate mortgage and actual terms and conditions of the mortgage was to defraud and induce the Grimes into entering into an unsuitable mortgage loan.

101. Fremont Investment and Loan has a duty to disclose and provide every borrower with a mortgage commitment letter outlining in simple basic terms the amount of money being loaned and the terms and conditions of the loan.

102. These material misrepresentations were instrumental in inducing the Grimes to sign the loan documents at closing.

103. The Defendants concealed material facts about the loan that surely had the Grimes

knew about these facts, they would not have accepted the loan. In addition to the concealment and failure to properly disclose the material terms of the true cost of the loan, Mr. Tanenbaum concealed many fees that were charged to Grimes.

104. Mr. Tanenbaum told the Grimes that they would be reimbursed for the appraisal report which they had paid \$400. The Grimes were never reimbursed for the appraisal, and now wonder if the appraisal were inflated to complete this transaction.

105. Mr. Tanenbaum also promised and assured the Grimes that he could help them refinance after one year. Yet Mr. Tanenbaum failed to inform the Grimes that the second mortgage contained a one-year prepayment penalty that would likely cost the Grimes more money if they were to refinance within one year.

106. Only after signing the loan documents at closing did the Grimes realize that Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending had intentionally blindsided them at closing in front of the Sellers. This pervasive predatory lending scheme was purposefully structured and designed to lure the Grimes into possible foreclosure as well as years of damaging credit rating. A copy of said documents is attached hereto as Exhibit 13.

107. Upon information and belief, on or about February 1, 2006 after the Grimes' loan originated, the first mortgage was transferred, assigned and/or sold to Wells Fargo & Co.-America's Servicing Company through a series of transactions. The loan was securitized and placed into a trust, U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1. Defendant U.S. Bank, N.A. is the trustee for Master Asset Backed Securities Trust 2006-FRE-1 and defendant U.S. Bank, N.A. is the custodian who now holds Grimes' mortgage loan. A copy of said letter from Fremont to the Grimes explaining that their mortgage had been transferred is attached hereto as Exhibit 9.

JURISDICTION AND VENUE

108. This Court has federal jurisdiction over plaintiffs federal claims pursuant to 28 U.S.C. § 1331 and 1343.

109. This Court has supplemental jurisdiction over plaintiffs pendent state law claims

pursuant to 28 U.S.C. § 1367.

110. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) because a substantial portion of the events giving rise to this complaint occurred within the Southern District of New York.

FIRST CAUSE OF ACTION
TRUTH IN LENDING ACT

(Against Fremont General Corporation, Fremont Investment and Loan, WCS Lending, America's Servicing Company, US Bancorp., and U.S. Bank, National Association as Trustee for Master Asset Backed Securities Trust 2006-FRE-1)

111. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 110 as though the same were fully set forth herein.

112. At the time of the subject transaction, defendant, Fremont Investment and Loan acted as a creditor who regularly engaged in the making of mortgage loans for which the payment of a finance charge is or may be required. This is the case whether in connection with loans, sales of property or services, or otherwise. Accordingly, defendant is subject to the Truth in Lending Act ("TILA"), 15 U.S.C. § 1601 et seq., and its implementing regulations, Federal Reserve Board Regulation Z, 12 C.F.R. § 226.

113. As a result of the subject transaction, defendants acquired an interest in plaintiff's primary dwelling that secures payment or performance of an obligation.

114. Upon information and belief, in the course of this consumer credit transaction, defendants violated the disclosure and rescission requirements of TILA and Regulation Z by failing to provide two copies of the notice of the right to rescind and an accurate date for the expiration of the rescission period, in violation of 15 U.S.C. § 1635 and 12 C.F.R. § 226.23(b).

115. In the course of this consumer credit transaction, because of fraud, forgery and conflicting representations, defendants failed to make required material disclosures clearly and conspicuously in writing in violation of 15 U.S.C. § 1632(a) and Regulation Z § 226.17(a) and therefore failed to deliver all "material" disclosures as required by the Act and Regulation Z,

including the following:

- a) failing to properly and accurately disclose the "amount financed," in violation of 15 U.S.C. § 1638(a)(2) and 12 C.F.R. § 226.18;
- b) failing to properly and accurately disclose the "finance charge," in violation of 15 U.S.C. § 1638(a)(3) and 12 C.F.R. § 226.18;
- c) failing to properly and accurately disclose the "annual percentage rate," in violation of 15 U.S.C. § 1638(a)(4) and 12 C.F.R. § 226.18;
- d) failing to properly and accurately disclose the "total of payments," in violation of 15 U.S.C. § 1638(a)(5) and 12 C.F.R. § 226.18(h); and
- e) failing to properly and accurately disclose the numbers, amounts, and due dates or period of payments scheduled to repay the obligation, in violation of 15 U.S.C. § 1638(a)(6) and 12 C.F.R. § 226.18(g).

116. The 'TILA violations described at paragraphs 112, 114 and 115 above give plaintiffs an extended right to rescind the loan held by defendants pursuant to 15 U.S.C. § 1635 and 12 C.F.R. § 226.23. Plaintiffs is also entitled to an extended right of rescission against any assignees of the loan pursuant to 15 U.S.C. § 1641(c).

117. On December 28, 2006, September 28, 2007 and October 15, 2007, the Grimes' rescinded the transaction by mailing a notice of rescission to America's Servicing Company, an agent of U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1, whom the Grimes' had been made to believe was their new lender. The notice of rescission was mailed to America's Servicing Company's Legal Department. Copies of said letters are attached hereto as Exhibit 8.

118. The Grimes' sent several letters to America's Servicing Company and U.S. Bank, National Association, as Trustee for Master Backed Securities Trust 2006 FRE-1 and had numerous telephone calls with their Loss Mitigation and legal departments regarding the

fraudulent acts surrounding their loan. The Grimes also made several attempts to rescind the transaction after discovering the forged documents. The Grimes received the forged documents sometime in March, 2007, after filing a complaint with various federal and state regulatory agencies, including, but not limited to the Federal Trade Commission, U.S. Department of Housing and Urban Development, Fair Housing Division, Office of Attorney General State of New York, New York State Department of Banking and New York State Executive Division of Human Rights. The documents were submitted to the New York State Banking Department, Mortgage Division by Fremont Loan and Investment in response to the Grimes' complaints. Copies of said documents are attached hereto as Exhibit 10.

119. Any assignees of the loan are liable for all of the above claims that the Grimes' assert against Fremont Investment and Loan pursuant to 15 U.S.C. § 1641(d).

120. Upon information and belief, defendants also violated the disclosure requirements of TILA and Regulation Z by failing to provide either an itemization of the amount financed, a qualified substitution for the itemization of the amount financed, or a statement that the Grimes' had a right to request such an itemization, in violation of 15 U.S.C. § 1638(a)(2)(B) and 12 C.F.R. § 226.18(c).

121. As a result of the aforesaid violations of TILA and Regulation Z, Fremont Investment and Loan and any assignees are liable to plaintiffs for:

- a) the return of any money or property that has been given to anyone in connection with the transaction and the termination of defendant's security interest in the property;
- b) actual damages in an amount to be determined at trial;
- c) statutory damages as provided by 15 U.S.C. § 1640;
- d) costs and disbursements; and

e) attorneys' fees to the plaintiffs' counsel.

SECOND CAUSE OF ACTION
HOME OWNERSHIP AND EQUITY PROTECTION ACT

(Against WCS Lending LLC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, US Bancorp. and America's Servicing Company and US Bank, NA, as Trustee for the Master Asset Backed Trust 2006-FRE-1)

122. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 121 as though the same were fully set forth herein.

123. The Home Ownership and Equity Protection Act ("HOEPA"), 15 U.S.C. § 1639, is an amendment to TILA and offers further protections for high rate mortgages, as defined by 15 U.S.C. § 1602(aa)(1)(B)(i), Federal Reserve Board Regulation Z, 12 C.F.R. § 226.32.

124. A mortgage that is a credit transaction secured by the consumer's principal dwelling and whose "total points and fees" exceed eight percent of the total loan amount is a high rate mortgage within the meaning of the HOEPA. 15 U.S.C. § 1602(aa)(1)(B)(i).

125. The subject consumer credit transaction between the Grimes' and Fremont Investment and Loan was secured by the Grimes' principal dwelling.

126. Upon information and belief, the subject loan transaction between the Grimes' and Fremont Investment and Loan is subject to HOEPA because, among other things, the total points and fees payable by the Grimes' exceeded eight percent of the total loan amount.

127. Fremont Investment and Loan and WCS Lending violated HOEPA and Regulation Z by:

- a) failing to provide the Grimes' with a required timely and accurate material disclosures required under HOEPA at least three business days prior to the consummation of the transaction, in violation of 15 U.S.C. § 1639(a) and (b) and 12 C.F.R. § 226.32(c);
- b) providing the Grimes' with a loan that contains a prepayment penalty, in

violation of 15 U.S.C. § 1639(c) and 12 C.F.R. § 226.32(d)(6);

- c) providing the Grimes' with a loan that contains negative amortization terms, in violation of 15 U.S.C. § 1639W and 12 C.R.F. § 226.32(d)(2); and
- d) extending credit without regard to the Grimes' ability to pay the debt, in violation of 15 U.S.C. § 1639(h) and 12 C.R.F. § 226.34(a)(4).

128. Fremont Investment and Loan's violations of HOEPA and Regulation Z give the Grimes' a statutory right to rescind the Fremont Investment and Loan mortgage loan pursuant to 15 U.S.C. § 1635 and 1639(j) and 12 C.F.R. § 226.23.

129. Any assignees of the loan are liable for all claims that the Grimes' asserts against America's Servicing Company and U.S. Bank, National Association, as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 pursuant to 15 U.S.C. § 1641(d).

130. As a result of the aforesaid violations of HOEPA and Regulation Z, America's Servicing Company and U.S. Bank, National Association, as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 and any assignees are liable to plaintiffs for:

- a) rescission of the mortgage loan transaction, termination of any interest created under the transaction, and return of any money or property given by Fremont Investment and Loan to anyone in connection with this transaction;
- b) actual damages in an amount to be determined at trial;
- c) statutory damages as provided by 15 U.S.C. § 1640;
- d) costs and disbursements; and
- e) attorneys' fees to plaintiffs' counsel.

**THIRD CAUSE OF ACTION
NEW YORK STATE GENERAL BUSINESS LAW § 349
("DECEPTIVE PRACTICES ACT")**

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2005-FRE-1)

131. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 130 as though the same were fully set forth herein.

132. Defendants "conducted a business" and/or "furnished a service" within the meaning of New York State General Business Law § 349.

133. As a holding company, Fremont General owed a variety of duties under the Holding Company Act and other provisions of the federal and states laws, including the California and New York States banking laws and regulations.

134. Among those was the duty to ensure that its wholly-owned subsidiary, Fremont Investment and Loan made regular, accurate and complete material disclosures to consumers regarding the true cost and accurate terms and conditions and risk associated with its mortgage loan products.

135. Fremont General also had a duty, apart from the Holding Company Act, to be truthful when it communicated with the Commissioner of the Federal Deposit Insurance Corporation, and various State Attorney General Offices located throughout the United States of America, including the State of New York Attorney General Office. Fremont had a duty not to conceal information regarding its lack of supervision or oversight over its wholly-owned subsidiary Fremont Investment and Loan.

136. Because of Fremont General's lack of oversight and management supervision over its wholly-owned subsidiary, Fremont Investment and Loan; Fremont Investment and Loan's was able to provide a series of misrepresentations and concealment of material information directly to consumers throughout country.

137. Furthermore because of Fremont Investment and Loan's misrepresentations and

concealment of the true terms and conditions of the loan, the Grimes did not know when the mortgage commitment letter was issued to WCS Lending or what the true terms and conditions of the mortgage were at the time of issuance.

138. Despite these duties, Fremont General's omissions, misrepresentation and concealment regarding the lack of management oversight and supervision of its wholly-owned subsidiary, Fremont Investment and Loan created hundreds or thousands of adverse events for many consumers, in particular African-American consumers whose mortgage loan products were structured with a high risk of default resulting in foreclosure.

139. A lender owes a contractual and common law duty to its customers to underwrite loans or mortgages for the mutual benefit of the borrower and the lender. Fremont Investment and Loan and WCS Lending made representations to justify payment of the Yield Spread Premium to WCS Lending for steering the Grimes to them. They never expected the Grimes to discover the forged documents or the false information they provided on the fraudulently submitted loan application -- (phantom rental and inflated income). These acts and the presentation of these fraudulent documents is what were utilized to get the loan approved through the Fremont's underwriters. Copies of said fraudulent disclosure documents are attached hereto as Exhibit 2, Exhibit 4 and Exhibit 12.

140. Defendants, Fremont General, Fremont Investment and Loan and WCS Lending and Jonathan Tanenbaum are all in violation the Deceptive Practices Act, New York General Business Law § 349, ("§ 349"). Defendants willful violations of the New York State General Business Law § 349 – Deceptive Practices Act clearly demonstrates the intentional and willful intent to defraud and discriminate against African-Americans and other minority groups within the state from as far as the State of Florida and California to make a profit. The deceptive acts and practices include, but were not limited to, those set forth below.

141. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs into thinking that the financing for the purchase of their house would be a stated and reasonable interest rate of 7% per annum for a fixed 30 year mortgage. Copies of said documents is attached hereto as Exhibit 3.

142. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan

Tanenbaum misled plaintiffs to enter into a mortgage that was unaffordable and that far exceeded the debt to income ratio of 50%, when in fact the actual debt to income ratio expense was 74.5% of the plaintiffs' net income.

143. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs into thinking that the mortgages they entered were affordable based upon their combined net incomes, but concealed the fact that their reliance of the loans was based upon fraudulent Phantom Rental Income to support the unaffordable mortgage payments. The defendants intentionally targeted people of color including plaintiffs, and primarily non-white neighborhoods in submitting mortgage applications to Fremont Investment and Loan to obtain quick loan approval based upon fraud, misrepresentation and omissions of material facts concerning rental income on property in Queens, New York, that was on the market for sale at the time.

144. Defendant, Fremont Investment and Loan originated two loans to plaintiffs that required documented income statements and verification of the phantom rental income that was fraudulently submitted with the mortgage application by WCS Lending and Jonathan Tanenbaum. A copy of said documents is attached hereto as Exhibit 2, Exhibit 4, and Exhibit 12.

145. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misled plaintiffs to enter into a high interest-rate balloon second mortgage that they could not afford and that would inevitably lead to the loss of their home, and that when combined with the first mortgage, entirely exceeded the value of the property.

146. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum charged plaintiffs' excessive loan origination and mortgage broker fees based upon fraudulent acts and services being provided. A copy of said disclosure documents is attached hereto as Exhibit 13.

147. Defendants, WCS Lending and Jonathan Tanenbaum charged plaintiffs' \$4,050 worth of brokers' fees, in the transaction, well beyond any reasonable industry standard, and then failed to disclosed these unreasonable fees as financed charges, as required by federal law. (12

C.F.R. Sec. 226.4(c)(7)). A copy of said disclosure documents is attached hereto as Exhibit 4.

148. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs by failing to provide them with a Good Faith Estimate of settlement cost prior to closing their mortgage loans, in violation of federal Real Estate Settlement Procedures Act and regulations (24 C.F.R. Section 3500.7). A copy of said disclosure documents is attached hereto as Exhibit 4.

149. Defendant, Fremont Investment and Loan, as a national mortgage lender that was actively involved in the subprime lending market, targeted people of color including plaintiff and primarily non-white neighborhoods, when seeking to consummate real estate transaction on terms that were grossly unfair and abusive; a mortgage lender has a duty to consider if a breach of their lender's underwriting process (which determines the amount of interest rate that a borrower will be charged) focused solely on obtaining an approval on a loan to cover the lender's retained risk, without regard to whether a borrower's ability to repay.

150. Because the prepayment penalty is computed as six months interest on the principal balance of the second mortgage, and because-unlike a traditional loan, the principal balance of the first mortgage is subject to an adjustable rate increases after 2 years with the next schedule monthly payment to be higher than the first twenty-four months payments, the penalty for Grimes is to refinance this loan within two years of origination.

151. In other words, if the Grimes had refinanced on January 1, 2006, they would have had to incur a penalty of approximately \$1,345.00. This prepayment penalty further demonstrates the unfair and deceptive nature of the loan and its unsuitability for the Grimes.

152. Defendants' willful and malicious inclusion of a one year prepayment penalty violates New York State General Obligations Law § 5-501(3)(b) and constitutes an unfair, misleading and deceptive trade practice under § 349.

153. Upon information and belief, the YSP paid by Fremont Investment and Loan to WCS Lending was excessive and was unrelated to any service or benefit provided to the Grimes.

154. Defendants knew or should have known that the Grimes' could not afford to make

their payments on the loan necessary to pay the interest or interest and principal on the loan or sustain the monthly mortgage payments after December 2007.

155. Defendants making of a mortgage loans to the Grimes' that defendants knew they could not repay willfully and maliciously deceived and misled consumers, specifically the Grimes', violating § 349.

156. Defendants lending to the Grimes' without consideration of their ability to repay the mortgage constitutes an unfair, misleading, and deceptive trade practice under § 349.

157. Defendants willful and malicious steering of the Grimes' into a loan to with grossly unfavorable terms based on YSP incentives constitutes an unfair, misleading and deceptive trade practice under § 349.

158. Defendants willful and malicious steering of the Grimes' into a fraudulent loan with a higher interest rate, despite the fact that they provided documentation of income, constitutes an unfair, misleading and deceptive trade practice under § 349.

159. Defendants repeatedly concealed and misrepresented the essential terms and therefore the cost of the loan to Grimes', deceiving them into believing that the interest rate was much lower than it was, that their monthly payments would be fixed for 30 years and that they would be able to refinance the loan without incurring any cost within one year.

160. Many of the misrepresentations and omissions of material facts constituted violations of the requirement that timely and adequate disclosures were made pursuant to TILA be "clear and conspicuous," rendering those and any other disclosures inoperative and depriving Grimes' of the crucial information that TILA is meant to secure for borrowers. Accordingly, defendants' willful and malicious misrepresentations and lack of clear and conspicuous disclosure constitute an unfair and deceptive trade practice under § 349.

161. Upon information and belief, these unfair business practices directed at plaintiffs were part of, and representative of, a pattern of misleading activities targeted at numerous other home buyers, including, but not limited to, African-American home buyers.

162. Plaintiffs suffered serious injury, including but not limited to credit reputation damage, economic detriment, incurring significant attorney fees, continued costs of litigation and other special and consequential damages in an amount not yet determined, as a direct and proximate result of such deceptive acts and unfair practices of the defendants. These damages were entirely foreseeable, predictable, and the intended results of defendants' conduct

163. As authorized by § 349(h), plaintiffs seeks an order from this Court enjoining WCS Lending, Fremont General, Fremont Investment and Jonathan Tanenbaum from the unlawful actions and practices under the Deceptive Practices Act described above.

164. As a result of their violations of the Deceptive Practices Act, WCS Lending, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum are liable to Grimes' for:

- a) actual damages;
- b) statutory damages as provided by § 349(h);
- c) treble damages as provided by § 349(h);
- d) costs and disbursements; and
- e) attorneys' fees to the plaintiffs' counsel.

FOURTH CAUSE OF ACTION – FRAUD

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

165. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 164 as though the same were fully set forth herein.

166. Defendants fraudulently, intentionally, and knowingly induced the Grimes' to enter into the subject mortgage transactions by concealing, misrepresenting and failing to provide material disclosures and information of the true terms and conditions of the mortgage, including the following:

- a) misrepresenting, concealing and failing to disclose to the Grimes' that the annual interest rate on the subject mortgage was a fixed rate 7% per annum for thirty (30) years;
- b) misrepresenting, concealing and failing to disclose to the Grimes' that monthly mortgage payments of \$3,807 for the first mortgage would be affordable to cover the interest and principal on the loan for the duration of the loan of 30 years;
- c) misrepresenting, concealing and failing to properly inform the Grimes' that they could easily refinance after one year, when in fact doing so would cause them to incur a prepayment penalty;
- d) misrepresenting, concealing and failing to disclose to the Grimes' that Fremont Investment and Loan approved the mortgage loans at a higher interest rate and that the mortgage would be an Adjustable Rate Mortgage consisting of a lower fixed interest rate for a short-term time period, followed by an increase to a higher, adjustable rate which would then increase thereafter for the remaining years of the loan;
- e) misrepresenting, concealing and failing to disclose to the Grimes' that the fees payable to WCS Lending from the proceeds of the mortgage were bona fide and reasonable and necessary for the extension of credit;
- f) misrepresenting, concealing and failing to disclose to the Grimes' that the financing that they arranged typically disguised as 2/28 and 3/27 ARMs or

100% financing or commonly called a "piggyback loan" that provided one loan for 80% and a second for 20% of the purchase price which would result in a high risk loan resulting in foreclosure for borrowers;

g) misrepresenting, concealing and failing to disclose to the Grimes' that the subject loans would provide them with a benefit; and

h) misrepresenting, concealing and failing to disclose to the Grimes' that they could afford the subject loan.

167. The Grimes' suffered serious injury as the proximate result of their reliance on the Defendants' intentional misrepresentations, concealment and failure to disclose material facts and terms of the loan. Plaintiffs are informed and believes and herein alleges that the Defendants acted with intentional oppression, fraud and/or malice in taking actions complained of herein, and in conscious disregard of Plaintiffs' rights, so as to justify an award of exemplary and punitive damages.

168. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum knowingly and intentionally caused the subject property to be substantially financed and appraised through misrepresentation and/or omission of material facts through a scheme of "bait and switch".

169. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misrepresented to plaintiffs that the mortgages were affordable when they were not, and/or omitted material facts including that the monthly mortgage payments would be wholly unaffordable based upon plaintiffs current or expected income, that the first mortgage included drastic and unaffordable rate increases and that the second mortgage included an unaffordable balloon payments.

170. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misrepresented the true terms and conditions of the mortgage loans and omitted from their representations the material facts that the terms of the loans were approved on different terms and interest rates.

171. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally concealed and omitted material facts to the plaintiffs that the loans were approved and based upon the reliance of phantom rental income to support the unaffordable mortgage payments.

172. Defendants' misrepresentations and omissions of material facts were false and misleading at the time they were made.

173. Plaintiffs had a reasonable right to rely, and in fact relied, on defendants' representations and omissions of material facts in agreeing to purchase and finance the subject property. Had plaintiffs known the truth about the issues enumerated above, they would have not have purchased and financed the property based upon the terms and conditions of the defendants.

174. As a direct and proximate result of defendants' misrepresentations and omissions of materials facts plaintiffs suffered damages.

175. Defendants' actions were intentional, wanton, malicious and in violation of the public interest and entitle plaintiffs to punitive damages.

176. As a result of the aforesaid fraud, the mortgage loan transactions should be declared void, and the security interest created under the transaction should be terminated. In addition, defendants are liable to the Grimes' for:

- a) actual damages;
- b) punitive damages;
- c) costs and disbursements; and
- d) attorney's fees to plaintiffs' counsel.

**FIFTH CAUSE OF ACTION
CIVIL CONSPIRACY TO COMMIT FRAUD**

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan,
America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the
Master Asset Backed Securities Trust 2006-FRE-1)

177. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 176 as though the same were fully set forth herein.

178. Defendants knowingly entered into an agreement to fraudulently induce the Grimes' to enter into the subject mortgages.

179. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum knowingly entered into an agreement to fraudulently induce plaintiffs to purchase and finance the subject property on a "bait and switch" scheme by intentionally making material misrepresentations and/or omissions of material facts as described above.

180. Defendants intentionally, knowingly and willfully participated in this "bait and switch" scheme by committing overt acts and making misrepresentations and/or failing to provide material information, in furtherance of the agreement, including but not limited to those representations set forth above.

181. Defendants, through their unlawful conduct constituting a civil conspiracy to defraud vulnerable, African-American homeowners, defendants acted in a malicious, willful, wanton, and oppressive fashion, in reckless disregard of the plaintiffs' rights.

182. Plaintiffs' suffered serious injury as the proximate result of their reliance on Defendants' omissions, misrepresentations, concealment and failure to disclosure of material facts to cause the pending adverse developments in their personal credit records and the severity of their financial hardships and conditions.

183. Defendants' actions were intentional, wanton and malicious and in violation of public interest and entitle plaintiffs' to punitive damages.

184. As a result of the aforesaid conspiracy to commit fraud, the mortgage transaction should be declared void, and the security interest created under the transaction should be terminated. In addition, defendants are liable to the plaintiffs' for:

- a) actual damages;
- b) punitive damages;
- c) costs and disbursements of suit; and
- d) attorney's fees to the plaintiffs' counsel.

**SIXTH CAUSE OF ACTION
REAL ESTATE SETTLEMENT PROCEDURES ACT**

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

185. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 184 as though the same were fully set forth herein.

186. The Fremont Investment and Loan mortgage is a "federally related mortgage loan" as defined in 12 U.S.C. § 2602(1), and therefore is subject to the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. § 2601 et seq.

187. Defendants WCS Lending, Jonathan Tanenbaum, Fremont General and Fremont Investment and Loan violated RESPA with respect to plaintiffs' loan transaction by: (a) giving or accepting kickbacks or other things of value in violation of 12 U.S.C. § 2607(a) and 24 C.F.R. § 3500.14(b); and (b) giving a portion, split, or percentage of charges made or received for the

rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed, in violation of 12 U.S.C. § 2607(b) and 24 C.F.R. § 3500.14(c).

188. Among other things, no goods or facilities were furnished, nor were any services performed in exchange for the \$894 "Commitment Fee", \$495 "Application Fee", \$945 "Processing Fee to WCS Lending", \$4,050 "Mortgage Broker Fee", \$60 "Tax Service Fee", \$2,331.16 "Escrow for Taxes and Insurance", \$2,029.20 "Short-Term Interest", \$9.50 "Flood Certification Fee", \$1,450 "Bank Attorney Fee" and the \$6,074.00 "YSF" listed on the October 12, 2005 HUD-1 Settlement Statement. Furthermore, even if goods, facilities or services were provided, their value was not reasonably related to the payments. Therefore, WCS Lending, Fremont General and Fremont Investment and Loan are liable to the Grimes' for:

- a) actual damages, trebled under 12 U.S.C. § 2607(d)(2);
- b) costs and disbursements; and
- c) attorneys' fees to the plaintiffs' counsel.

**SEVENTH CAUSE OF ACTION
(NEW YORK STATE GENERAL OBLIGATIONS LAW § 5-501)**

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

189. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 188 as though the same were fully set forth herein.

190. The subject loan is secured by an interest in real property improved by a one-family residence occupied by the owner, and the interest rate charged on that loan exceeds six per centum per annum.

191. The prepayment penalty imposed on the subject loan had a term of one year, in violation of § 5-501(3Xb).

192. As a result of the aforesaid violation, the mortgage transaction should be declared void, and the security interest created under the transaction should be terminated, pursuant to § 5-511.

EIGHTH CAUSE OF ACTION
(FAIR HOUSING ACT-42 U.S.C. § 3601 et seq.)

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

193. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 192, as though the same were fully set forth herein.

194. The Fair Housing Act, 42 U.S.C. Section 3601 et seq., was first enacted in 1968 to prohibit discrimination in connection with real estate transactions, including home purchases and refinancing. The Act has been broadly constructed by the courts to make its provisions effective to protect consumers.

195. The Act prohibits mortgage lenders from imposing different terms or conditions on a loan, such as different interest rates, points or fees, on the basis of race. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum targeted African-Americans for higher cost subprime mortgage loans, while directing Caucasian applicants, with the same qualifications after accounting for risk, into lower cost loans. Such discriminatory actions include, but are not limited to: targeting plaintiffs for this scheme to defraud on the basis of their race and color in obtaining mortgage home loans.

196. These defendants, and their principals and employees, discriminated against plaintiffs on the basis of race and color in a residential real estate transaction in violation of the federal Fair Housing Act, 42 U.S.C. Section 3605. Such discriminatory actions include are but limited to: targeting plaintiffs for this scheme of "bait and switch" on the basis of their race and

color; making loans unaffordable based upon current personal and expected incomes; providing financial assistance for the purchase of real estate with grossly unfavorable terms based upon plaintiffs' race and color.

197. In addition or in the alternative, under the guise of these purportedly facially-neutral subprime loan policies and practices, Defendants, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum, WCS Lending had a discriminatory effect and created statistical disparities so great between African-American and Caucasian mortgagees as to be functionally equivalent to intentional discrimination. Defendants induce, misled and steered African-American borrowers into high cost home loans without due regard of the borrowers ability to repay the loan.

198. A borrower is presumed to be able to make a scheduled payment if (a) the scheduled monthly payment plus payments for all other debts does not in the aggregate exceed 50% of the borrower's documented and verified monthly gross income and (b) the borrower has residual sufficient income to pay essential monthly expenses after paying the schedule monthly mortgage payment and any additional debt. If the schedule monthly payment exceeds either of the threshold mentioned above, the lender must determine and document prior to closing of the loan that the making of the loan is justified based upon compensation factors, such as the borrowers long credit history, the borrower's demonstrated ability to make payment under comparable or greater debt to income ratios, the conservative use of credit standards, the borrower's significant liquid assets or other reasonable factors.

199. By the actions described above, Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum have violated 42 U.S.C. Sections 3601, 3604 and 3605. Section 3605 states:

that "[i]t shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such transaction, because of race" The plaintiffs were subjected to these

discriminatory practices as alleged, and given loans on grossly unfavorable terms.

200. Upon information and belief, Defendant, Fremont Investment and Loan continue to provide mortgage loans to Caucasian applicants with similar qualifications on significantly more favorable terms, and their policies and practices will continue to have a discriminatory impact in violation of the Act against other African-American in applications for a mortgage, as they have on the plaintiffs in the past. Therefore, as a proximate result of Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum's systematic violation of this statute, plaintiffs are entitled to the requested relief provided under the Act. If not enjoined from such violations by the Court, Defendants will continue to engage in conduct that disregards the rights of the plaintiffs and cause irreparable injury.

201. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum discriminated against plaintiffs, by targeting plaintiffs for a predatory home purchase and mortgage loan transaction that, by reason of its grossly unaffordable loan terms and based on an intentionally concealment and omission of material facts and intentionally submitting false information and forged signatures to the mortgage application, provided plaintiffs with grossly inferior terms, conditions, and/or privileges of services in connection with the financing transaction on the basis of race and color. These actions were taken deliberately and with racial intent and with reckless disregard of plaintiffs' rights.

202. As a proximate result of such discriminatory housing practices, plaintiffs have suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home.

203. Defendants' actions were intentional, wanton and malicious and in violation of the public interest and entitle plaintiffs to punitive damages.

204. Treating the plaintiffs differently in mortgage lending based on their race and color violates the Fair Housing Act. As a proximate result of Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum systematic violation of this Act, plaintiffs are

entitled to the requested relief requested herein.

NINTH CAUSE OF ACTION
(EQUAL CREDIT OPPORTUNITY ACT-15 U.S.C. §§ 1691 et seq.)

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

205. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 204 as though the same were fully set forth herein.

206. The Equal Credit Opportunity Act was enacted in 1974 as a consumer protection statute prohibiting discrimination in the issuing of credit. The Act has been broadly construed by the courts in order to make effective its provisions to protect consumers.

207. Defendants, Fremont General and Fremont Investment and Loan is a creditor within the meaning of 15 U.S.C. §§ 1691(e). The mortgage loans offered to the Plaintiffs are credit transactions. The Act provides that "[i]t shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction... on the basis of race". 15 U.S.C. Section 1691(a)(1). The Plaintiffs were systematically and continuously extend mortgage credit by Defendants on a discriminatory basis. (Please refer to FDIC's Order to Cease and Desist, dated March 7, 2007, regarding Fremont Investment and Loan unsafe and unsound banking practices and violations of laws and regulations with regard to mortgage lending on the A copy said FDIC Order to Cease and Desist, dated March 7, 2007 is attached hereto as Exhibit 11.

208. Defendants, Fremont General, Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending discriminated against the Plaintiffs on the basis of race and color on the terms and conditions of the loan contract, including charging higher interest rates to African-American than similarly-qualified Caucasians, falsifying information on the mortgage application and forging their signatures to the same application for the sole purpose of making a profit. In addition, said defendants named above will continue to engage in conduct that disregards the rights of African-Americans and causes irreparable injury if not enjoined from such violations by the Court.

209. Treating Plaintiffs differently in mortgage lending based on their race and color

violates this Act. As a proximate result of Defendants, Fremont General and Fremont Investment and Loan's systematic violation of this Act, plaintiffs are entitled to the requested relief requested herein.

TENTH CAUSE OF ACTION

(CIVIL RIGHTS ACT: RACIAL DISCRIMINATION 42 U.S.C. §§ 1981, 1982, 1985 et seq.)

(Against WCS Lending LLC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, U.S. Bancorp and U.S. Bank N.A., as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

210. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 209 as though the same were fully set forth herein.

211. The Civil Rights Act of 1866 and 1870, and later expanded upon through 1991, prohibits racial discrimination in the formation and issuance of contracts, and intentional interference to purchase and hold real property ("Civil Rights Act").

212. Defendants, Fremont General, Fremont Investment and Loan and WCS Lending intentionally concealed certain material facts that Fremont Investment and Loan had a duty to disclose and by concealing these material facts, Fremont Investment and Loan and WCS Lending intended to deceive the Grimes with misleading terms and conditions. The Grimes relied upon Fremont Investment and WCS Lending not to conceal, and that such reliance was reasonable under the circumstances. Said concealment was a substantial factor in causing damages to the Grimes. Defendants, Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending intentionally misled and induced the Grimes into entering into a grossly unfair and abusive high cost loan disguised as an 2/28 ARM loan transaction for the sole purpose of defrauding and steering the plaintiffs into an unsuitable abusive mortgage loan product that carried excessive risk layers without regard to the borrower's ability to repay.

213. Defendants intentionally discriminated against Plaintiffs by steering, concealing and structuring short-term high cost loans that they could disguise as ARM loans, thereby charging them higher interest rates than those charges to similarly-situated Caucasian mortgagees. These de facto short-term high cost loans disguised as ARM loans were structured

as short-term high-cost loans by separating them into a short-term introductory period with a teaser rate and a longer term adjustable rate period that were aggressively marketed through Fremont's network of brokers to the African-American homeowners. This racially discriminatory pattern of acts and conducts constitutes "reverse redlining" and denied plaintiffs the same rights to make and enforce contracts, and to enjoy the full and equal benefits of the laws, as enjoyed by white citizens of the United States, in violation of 42 U.S.C. § 1981.

214. Defendants, by intentionally concealing and misrepresenting the true terms and conditions of the loan, and by charging higher rates to the Plaintiffs, Defendants unlawfully discriminated against Plaintiffs in (i) formation of contracts, (ii) making, performance, modification, and termination of contracts, and/or (iii) the enjoyment of all benefits, privilege, terms and conditions of the contractual relationship, and in their right to purchase, finance, inherit, lease, sell, hold and convey real property, as enjoyed by white citizens of the United States, in violation of 42 U.S.C. § 1982a. Defendants, America's Servicing Company and U.S. Bancorp and U.S. Bank National Association, as Trustees for the Master Asset Backed Securities Trust 2006-FRE-1 intentionally failed to acknowledge, investigate or resolve disputes brought to their attention in a timely manner by African-American consumers, in violation of 42 U.S.C. § 1982.

215. Defendants' actions violated 42 U.S.C. § 1981 and 1982. Defendants' action were intentional, wanton, malicious and in violation of public interest and entitle plaintiff to punitive damages under the Civil Rights Act. Finally, such pattern of actions constitute a conspiracy for the purpose of depriving plaintiffs of the equal protection of the laws, or of equal privileges and immunities of the laws of the United States in violation of 42 U.S.C. § 1985(3). As a proximate result of Defendants' racially discriminatory actions and systematic violation of this statute, plaintiffs have suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home, they are entitled to the request relief provide under the Civil Rights Act.

ELEVENTH CAUSE OF ACTION
(NEW YORK STATE HUMAN RIGHTS LAW, EXECUTIVE LAW § 296(5))

(Against WCS Lending LLC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, U.S. Bancorp and U.S. Bank N.A., as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

216. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 215 as though the same were fully set forth herein.

217. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending, Jonathan Tanenbaum and their employees and principals, through their actions described above, have engaged in a pattern of unlawful discriminatory practices in violation of the New York State Human Rights Law, Executive Law § 296. Such actions include targeting victims on the basis of race and color, steering and inducing people of color and non-white persons into unaffordable mortgage products and denying affordable mortgage financing on the basis of race and color; discriminating in the terms and conditions of mortgage financing, and in the furnishing of facilities and services in connection with financing transactions. Such actions were taken deliberately and with racially discriminatory intent, with reckless disregard for plaintiffs' right.

218. In addition, said defendants engaged in a pattern of practices related to financing transactions that resulted in a disparate impact of non-white prospective homebuyers and borrowers in, and residents and would be residents in, communities of color through New York City and State of New York.

219. As a proximate result of these racially discriminatory actions, plaintiffs have suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home.

220. Defendants actions were intentional, wanton, malicious and in violation of the public interest and entitle plaintiff to punitive damages.

PRAYER FOR RELIEF

WHEREFORE, in light of the foregoing, plaintiffs respectfully request that this Court:

- a) Enjoin enforcement of the mortgage and note and declare the mortgage and note unenforceable;
- b) Award actual damages pursuant to all causes of action in an amount to be determined at trial;
- c) Award statutory damages pursuant to all causes of action;
- d) Award punitive damages in an amount to be determined at trial;
- e) Award liquidated damages pursuant to all causes of action;
- f) Award plaintiffs' attorney fees, pursuant to all causes of action;
- g) Award plaintiffs' reasonable costs and expenses pursuant to all causes of action;
- h) Enjoin defendants from engaging in deceptive acts and practices that affect consumers in New York State under New York State General Business Law § 349(h);
- i) Rescind the underlying mortgage loan transaction and terminate any security interest in plaintiffs property created under the transaction;
- j) Prohibit the defendants from taking any action toward foreclosures unless they have reviewed and investigated consumer complaints and confirmed that the consumer has not been the subject of any illegal practices;
- k) Investigate and resolve any consumer disputes arising out of real estate transactions;
- l) Declare the subject note and mortgage unenforceable, and enjoin and terminate the security interest pursuant to the first, third, fourth, fifth, seven,

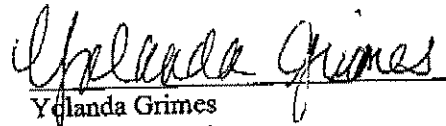
eighth, ninth, tenth, eleventh and § 5-511; and

m) Award such other and further general relief as this Court deems just and proper.

Dated: January 29, 2008
Newburgh, New York



Darrick Grimes
23 Stacy Lee Drive
Newburgh, New York 12550
Telephone: 845-562-0450



Yolanda Grimes
23 Stacy Lee Drive
Newburgh, New York 12550
Telephone: 845-562-0450

EXHIBIT ADDENDUM TO COMPLAINT

<u>Exhibit</u>	<u>Contents of Exhibit</u>
1.	Pre-Qualification Letter, dated September 12, 2005 from WCS Lending LLC
2.	Forged Mortgage Application and Pre-Disclosure documents, dated and signed on September 13, 2005 and submitted on behalf of the Grimes by WCS Lending LLC and Jonathan Tanenbaum
3.	Actual Mortgage Application and Pre-Disclosure documents, dated and signed on September 20, 2005 by the Grimes and submitted to WCS Lending and Jonathan Tanenbaum same day.
4.	Fraudulently signed Good Faith Estimate and Truth in Lending Statement (forged signatures of the Grimes, dated September 13, 2005 and the Actual Good Faith Estimate and Truth in Lending Statement (signed by the Grimes on September 20, 2005 and October 12, 2005 (Fremont Closing Document)
5.	Fremont Investment and Loan – Conditional Counter-Offer Approval Notices showing the terms and loan amounts of first and second mortgages
6.	Fremont Mortgage Commitment Letter, dated September 16, 2005
7.	Fremont Loan Tracking Documents – Underwriter's Summary
8.	Recession letters mailed to America's Servicing Company
9.	Notices of Assignment, Sale or Transfer of Servicing Rights to the Grimes re assignment of the first mortgage to America's Servicing Company, dated February 9, 2006 and second mortgage assigned to Ocwen Loan Servicing, LLC
10.	Copies of the Complaint Letters to various state and federal regulatory agencies regarding fraud and predatory lending practices

11. FDIC Order of Cease and Desist, dated March 7, 2007
12. Fraudulently signed Residential Contract of Sale and Amendment to the Contract of Sale, dated September 14, 2005 submitted by WCS Lending LLC and Jonathan Tanenbaum with forged signatures of the Grimes (Purchasers) as well as the Sellers, the Cohen and a copy of Original "Draft of Contract of Sale"
13. Copies of the Closing Documents signed by the Grimes on October 15, 2005 as provided by Fremont Investment and Loan
14. Documented income statements (Paycheck stubs and W-2s) of the Grimes submitted to WCS Lending as of September 2005
15. Fremont Investment & Loan - Loan Submission Form from WCS Lending
16. Fremont Investment & Loan Final Underwriter Summary- Underwriter's Recommendation -Note Rental Income

Exhibit B - Part 1

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount \$	405,000	Interest Rate:	7.000 %	Term:	360 / 360 mths
SECTION 1: ITEMS PAYABLE IN CONNECTION WITH THE LOAN					
801	Loan Origination Fee				
802	Loan Discount				\$
803	Appraisal Fee				
804	Credit Report			(PAID)	300.00
805	Lender's Inspection Fee				
808	Mortgage Broker Fee	1.000%			
809	Tax Related Service Fee				4,050.00
810	Processing Fee				60.00
811	Underwriting Fee				575.00
812	Wire Transfer Fee				405.00
	Application Fee				
	Flood Certification				225.00
					9.50

SECTION 2: SETTLEMENT CHARGES					
1101	Closing or Escrow Fee:				\$
1105	Document Preparation Fee				
1106	Notary Fees				195.00
1107	Attorney Fees				
1108	Title Insurance:	NY (Orange) Purchase Owners			500.00
	Title Search				2,104.00
	Title Exam				195.00
	Miscellaneous Title				150.00
					300.00

SECTION 3: GOVERNMENT RECORDING & TRANSFER CHARGES					
1201	Recording Fees:				\$
1202	City/County Tax/Stamp:				150.00
1203	State Tax/Stamp:				

SECTION 4: ADDITIONAL SETTLEMENT CHARGES					
1302	Past Inspection				\$

SECTION 5: ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
				Estimated Closing Costs	9,218.50
901	Interest for	15 days @ \$	78.7500 per day		
902	Mortgage Insurance Premium			\$	1,181.25
903	Hazard Insurance Premium				
904					900.00
905	VA Funding Fee				

SECTION 6: RESERVES DEPOSITED WITH LENDER					
1001	Hazard Insurance Premiums	5 months @ \$	75.00 per month	\$	375.00
1002	Mortgage Ins. Premium Reserves	months @ \$			
1003	School Tax	months @ \$			
1004	Taxes and Assessment Reserves	2 months @ \$	585.00 per month		
1005	Flood Insurance Reserves	months @ \$			1,170.00
		months @ \$			
		months @ \$			

TOTAL ESTIMATED SETTLEMENT CHARGES				Estimated Prepaid Items/Reserves	3,626.25
COMPENSATION TO BROKER (Not Paid Out of Loan Proceeds)					12,844.75
Lender Paid Comp 0-4%					\$

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE					
Purchase Price/Payoff (+)	450,000.00	New First Mortgage(-)		TOTAL ESTIMATED MONTHLY PAYMENT	
Loan Amount (-)	405,000.00	Sub Financing(-)		Principal & Interest	2,694.48
Est. Closing Costs (+)	9,218.50	New 2nd Mtg Closing Costs(+)		Other Financing (P & I)	270.00
Est. Prepaid Items/Reserves (+)	3,626.25			Hazard Insurance	75.00
Amount Paid by Seller (-)				Real Estate Taxes	585.00
				Mortgage Insurance	
				Homeowner Assn. Dues	
				Other	

Total Est. Funds needed to close		57,844.75	Total Monthly Payment		3,624.48
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☐ This Good Faith Estimate is being provided by a mortgage broker, and no lender has been obtained. These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). A additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Darrick Grimes 9/20/05 Yolanda Grimes 9/20/05
 Applicant Darrick Grimes Date Applicant Yolanda Grimes Date

Settlement
 19,268
 Charges

Applicants: Darrick Grimes
Yolanda Grimes
Property Address: 23 Stacy Lee Drive
Newburgh, NY 1250
Application No: GrimesYolandaNT80659
Prepared By: WCS Financial Services
6501 Congress Avenue, 3rd Floor
Boca Raton, FL 33487
866-927-5363
Date Prepared: 09/13/2005

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
5.167 %	\$ 380,598.21	\$ 405,000.00	\$ 785,698.21

☐ REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit
PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due	Number of Payments	Amount of Payments	When Payments Are Due	Number of Payments	Amount of Payments	When Payments Are Due
24	2,694.48	Monthly Beginning:						
12	2,194.78							
323	2,144.11							
1	2,145.80							

☐ DEMAND FEATURE: This obligation has a demand feature.

☒ VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signature
Credit Life		I want credit life insurance. Signature:
Credit Disability		I want credit disability insurance. Signature:
Credit Life and Disability		I want credit life and disability insurance. Signature:

INSURANCE: The following insurance is required to obtain credit:

☐ Credit life insurance ☐ Credit disability ☐ Property insurance ☐ Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor

☐ If you purchase ☐ property ☐ flood insurance from creditor you will pay \$

for a one year term.

SECURITY: You are giving a security interest in: 23 Stacy Lee Drive, Newburgh NY 1250

☒ The goods or property being purchased

☐ Real property you already own.

FILING FEES: \$

LATE CHARGE: If a payment is more than 15 days late, you will be charged 5.000 % of the payment

PREPAYMENT: If you pay off early, you

☐ may ☒ will not have to pay a penalty.

☐ may ☒ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

☐ may ☐ may, subject to conditions

☒ may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties

☒ * means an estimate

☐ all dates and numerical disclosures except the late payment disclosures are estimates.

* NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

Darrick Grimes

(Applicant)

(Date)

Yolanda Grimes

(Applicant)

(Date)

(Applicant) (Date)

(Applicant) (Date)

(Lender) (Date)

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when ☐ the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

I. TYPE OF MORTGAGE AND TERMS OF LOAN					
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> FHA	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> USDA/Rural Housing Service	Other (explain):	Agency Case Number	Lender Case Number
Amount \$	405,000	Interest Rate	7.000 %	No. of Months	360/360
Amortization Type:		<input type="checkbox"/> Fixed Rate <input type="checkbox"/> GPM <input checked="" type="checkbox"/> Other (explain): ARM (type): 2/28			

II. PROPERTY INFORMATION AND PURPOSE OF LOAN				No. of Units
Subject Property Address (street, city, state, ZIP)				1
23 Stacy Lee Drive, Newburgh, NY 1250 County: Orange				
Legal Description of Subject Property (attach description if necessary)				Year Built
See title				1987

Purpose of Loan			Property will be:	
<input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain):			<input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment	
<input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent				
Complete this line if construction or construction-permanent loan.				
Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements
	\$	\$	\$	\$
Total (a+b)				
\$				
Complete this line if this is a refinance loan.				
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements
	\$	\$		<input type="checkbox"/> made <input type="checkbox"/> to be made
Title will be held in what Name(s)			Manner in which Title will be held	Estate will be held in:
Darrick Grimes Yolanda Grimes			Joint tenants	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)				
Deposit on Sales Contract				

Borrower				Co-Borrower			
Borrower's Name (include Jr. or Sr. if applicable)				Co-Borrower's Name (include Jr. or Sr. if applicable)			
Darrick Grimes				Yolanda Grimes			
Social Security Number	Home Phone (incl. area code)	DOB (MM/DD/YYYY)	Yrs. School	Social Security Number	Home Phone (incl. area code)	DOB (MM/DD/YYYY)	Yrs. School
133-84-3057	718-464-3331	01/09/1962	14	111-56-6446		10/29/1968	14
<input checked="" type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Co-Borrower)		<input checked="" type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Borrower)	
<input type="checkbox"/> Separated		no. 2 ages 2, 14		<input type="checkbox"/> Separated		no. 2 ages 2, 14	
Present Address (street, city, state, ZIP)				Present Address (street, city, state, ZIP)			
188-19 104th Avenue St. Albans, NY 11412				188-19 104th Avenue St. Albans, NY 11412			
<input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent 7 No. Yrs.				<input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent 7 No. Yrs.			
Mailing Address, if different from Present Address				Mailing Address, if different from Present Address			

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP)		<input type="checkbox"/> Own <input type="checkbox"/> Rent No. Yrs.	Former Address (street, city, state, ZIP)		<input type="checkbox"/> Own <input type="checkbox"/> Rent No. Yrs.		
IV. EMPLOYMENT INFORMATION							
Name & Address of Employer		<input checked="" type="checkbox"/> Self Employed	Yrs. on this job	Name & Address of Employer		<input type="checkbox"/> Self Employed	Yrs. on this job
EDO Corporation 60 East 42nd Street New York, NY 10166			0 yr(s) 10 mth(s)	Debevoise And Plimpton 919 Third Ave New York, NY 10022			3 yr(s) 0 mth(s)
Position/Title/Type of Business		Business Phone (incl. area code)	Yrs. employed in this line of work/profession	Position/Title/Type of Business		Business Phone (incl. area code)	Yrs. employed in this line of work/profession
Legal Assistant		212-716-2069	0.8	Legal Assistant		212-909-6401	3

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
CitiGroup 388 Greenwich Street New York, NY 10001			3/99 - 10/04				
Position/Title/Type of Business		Business Phone (incl. area code)	Monthly Income	Position/Title/Type of Business		Business Phone (incl. area code)	Monthly Income
Legal Assistant		212-382-7000	\$ 6,000.00				\$
Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
Position/Title/Type of Business		Business Phone (incl. area code)	Monthly Income	Position/Title/Type of Business		Business Phone (incl. area code)	Monthly Income
			\$				\$

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$ 5,493.00	\$ 3,061.00	\$ 9,554.00	Rent	\$	
Overtime				First Mortgage (P&I)		\$ 2,694.48
Bonuses				Other Financing (P&I)		270.00
Commissions				Hazard Insurance		75.00
Dividends/Interest				Real Estate Taxes		585.00
Net Rental Income	1,076.00		1,076.00	Mortgage Insurance		
Other* (before completing, see the notice in "Describe other income," below)				Homeowner Assn. Dues		
				Other:		
Total	\$ 7,569.00	\$ 3,061.00	\$ 10,630.00	Total	\$	\$ 3,624.48

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Monthly Amount
	\$

VI. ASSETS AND LIABILITIES
 This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a spouse, this Statement and supporting schedules must be completed about that spouse also.

Completed ☐ Jointly ☐ Not Jointly

ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Description		Name and address of Company	\$ Payment/Months	\$
Cash deposit toward purchase held by:	\$	HFC - USA P.O. BOX 1547 CHESAPEAKE, VA 23320		
List checking and savings accounts below		Acct. no. 64721500318863	(2,046)	292,142
Name and address of Bank, S&L, or Credit Union	\$ 10,000	Name and address of Company	\$ Payment/Months	\$
Commerce Bank		SALLIE MAE 3RD PTY L 1002 ARTHUR DR LYNN HAVEN, FL 32444		
Acct. no.		Acct. no. 1115664461076	249	37,420
Name and address of Bank, S&L, or Credit Union	\$ 2,000	Name and address of Company	\$ Payment/Months	\$
ING DIRECT		SM SERVICING PO BOX 9500 WILKES BARRE, PA 18773		
Acct. no.		Acct. no. 111566446107F	249	37,420
Name and address of Bank, S&L, or Credit Union	\$ 1,500	Name and address of Company	\$ Payment/Months	\$
401k		HFC - USA P.O. BOX 1547 CHESAPEAKE, VA 23320		
Acct. no.		Acct. no. 64721516125790	503	35,209
Stocks & Bonds (Company name/number & description)	\$ 11,000	Name and address of Company	\$ Payment/Months	\$
		CHRYSLER FINANCIAL 1 BLUE HILL PLZ STE 15 PEARL RIVER, NY 10965		
		Acct. no. 7000579255	397	9,379
Life Insurance net cash value	\$	Name and address of Company	\$ Payment/Months	\$
Face amount \$		CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285		
Subtotal Liquid Assets	\$ 25,500	Acct. no. 517805245356	218	7,281
Real estate owned (enter market value from schedule of real estate owned)	\$ 440,000	Name and address of Company	\$ Payment/Months	\$
Vested interest in retirement fund	\$	HSBC/LEVITZ 90 CHRISTIANA RD NEW CASTLE, DE 19720		
Net worth of business(es) owned (attach financial statement)	\$	Acct. no. 72062410245	(94)	1,862
Automobiles owned (make and year)	\$	Alimony/Child Support/Separate Maintenance Payments Owed to:		
Other Assets (itemize)	\$	Job Related Expense (child care, union dues, etc.)	\$	
Total Assets a.	\$ 466,500	Total Monthly Payments	\$ 1,910	
		Net Worth (a minus b)	\$ 37,532	Total Liabilities b. \$ 428,968

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.

Borrower: Darrick Grimes	Agency Case Number:
Co-Borrower: Yolanda Grimes	Lender Case Number:

ASSETS AND LIABILITIES				
ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union 401K		Name and address of Company HSBC/LEVITZ 90 CHRISTINANA ROAD NEW CASTLE, DE 19720	\$ PayL/Mos.	\$
Acct. no.	\$ 2,000	Acct. No. 720624-4102456197	94	1,882
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROVIDIAN FINANCIAL 4940 JOHNSON DR PLEASANTON, CA 94566	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 0300645735	51	1,687
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROVIDIAN FINANCIAL 4940 JOHNSON DR PLEASANTON, CA 94566	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 0800611925	32	1,039
Name and address of Bank, S&L, or Credit Union		Name and address of Company HSBC NV POB 98706 LAS VEGAS, NV 89193	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 544045005310	26	893
Name and address of Bank, S&L, or Credit Union		Name and address of Company DRS SHERMAN STR 322 WALL STREET PRINCETON, NJ 08540	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 684026		725
Name and address of Bank, S&L, or Credit Union		Name and address of Company HSBC NV 1441 SCHILLING PLACE SALINAS, CA 93901	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 275000393589	18	662
Name and address of Bank, S&L, or Credit Union		Name and address of Company HSBC NV 1441 SCHILLING PLACE SALINAS, CA 93901	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 912055364537	18	507
Name and address of Bank, S&L, or Credit Union		Name and address of Company CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 517805248879	15	348
Name and address of Bank, S&L, or Credit Union		Name and address of Company CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 517805256683	15	255
Name and address of Bank, S&L, or Credit Union		Name and address of Company ACTION CARD/BANK FIR POB 2394 OMAHA, NE 68103	\$ PayL/Mos.	\$
Acct. no.	\$	Acct. No. 5256181011029103	15	157

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature: *Darrick Grimes* Date: *9/20/05* Co-Borrower's Signature: *Yolanda Grimes* Date: *9-20-05*

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.

Borrower: Darrick Grimes	Agency Case Number:
Co-Borrower: Yolanda Grimes	Lender Case Number:

ASSETS AND LIABILITIES

ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union		Name and address of Company AMEX P O BOX 297871 FORT LAUDERDAL, FL 33329	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No. 144999036017301261		40
Name and address of Bank, S&L, or Credit Union		Name and address of Company AMEX PO BOX 297871 FORT LAUDERDALE, FL 33329	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No. -144999036017301261	10	40
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payt/Mos.	\$
Acct. no.	\$	Acct. No.		

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature: *Darrick Grimes* Date: *9/20/05* Co-Borrower's Signature: *Yolanda Grimes* Date: *9-20-05*

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.

Borrower: Darrick Grimes	Agency Case Number:
Co-Borrower: Yolanda Grimes	Lender Case Number:

Borrower		CO-BORROWER INFORMATION		Co-Borrower	
Former Address (street, city, state, ZIP)	<input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP)	<input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.		

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature: x <i>Darrick Grimes</i>	Date: 9/28/05	Co-Borrower's Signature: x <i>Yolanda Grimes</i>	Date: 9-20-05
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Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.

Borrower:

Darrick Grimes

Agency Case Number:

Co-Borrower:

Yolanda Grimes

Lender Case Number:

Borrower		IV. EMPLOYMENT INFORMATION		Co-Borrower	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)	Name and Address of Employer	<input type="checkbox"/> Self Employed	Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:

X *Darrick Grimes*

Date

9/20/05

Co-Borrower's Signature:

X *Yolanda Grimes*

Date

9-20-05



RATE LOCK / FLOAT ADDENDUM

Applicant acknowledges that the interest rate on this loan is floating unless Applicant receives an Interest Rate Lock-In Agreement confirmation from WCS Lending by mail, e-mail or fax. Applicant must sign an Interest Rate Lock-In Agreement in order to have the lock-in guaranteed by WCS Lending. If Applicant has not signed an Interest Rate Lock-In Agreement, the rate is not locked and therefore not guaranteed.

If Applicant has locked in a rate, and WCS Lending has not received an application package back within Seven (7) days, the Interest Rate Lock-In Agreement will be cancelled.

Please check the appropriate selection and sign below:

- ☐ I have received an Interest Rate Lock-In Agreement from WCS Lending and my rate is in accordance to what was agreed.
- ☒ I acknowledge that my interest rate is currently floating and is subject to daily changes based upon market fluctuations.

A handwritten signature in dark ink, appearing to read "Dannish L. [unclear]".

Applicant

A handwritten date "9/20/05" in dark ink.

Date

A handwritten signature in dark ink, appearing to read "Yvelanda [unclear]".

Co-Applicant

A handwritten date "9/20/05" in dark ink.

Date

WCS FINANCIAL SERVICES
MORTGAGES MADE EASIER**NEW YORK: PRE-APPLICATION DISCLOSURE AND BROKER FEE AGREEMENT**

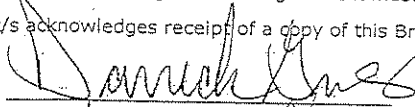
1. The Registrant, WCS Financial Services (since Registrant is "acting as a mortgage broker"), may not make mortgage loans or commitments. The Registrant ("WCS") may furnish a lock-in or commitment to Applicant on behalf of Applicant when WCS has obtained a written and executed commitment or lock-in from a lender on behalf of Applicant.
2. WCS has advised me/us ("Applicant/s") that WCS is authorized and prepared to assist and advise Applicant/s in securing financing. Applicant/s understands that WCS's services may include, but are not limited to:
 - Counseling on available mortgage products and general qualification procedures;
 - Counseling on Applicant/s financial capabilities;
 - Assistance in completing, processing, and in meeting conditions of the loan.
3. Applicant/s hereby engages WCS as Applicant's agent for the purpose of advising Applicant/s about financing and to provide the services described herein. This agreement will continue until the earlier of the declination of Applicant/s loan request, the closing of the loan, or Applicant/s termination of WCS's services.
4. Prior to paying any fees or submitting an application, the Applicant/s understands that: WCS's services are advisory and administrative in nature. WCS is acting as a broker and will not make the mortgage loan or commitment. WCS cannot guarantee acceptance into any particular loan program, specific loan terms or conditions. WCS may be eligible to receive a Lender paid bonus based upon the quality of loans placed with the Lender.
5. **BROKER FEE:**
Applicant/s understand that, as compensation for WCS's services, WCS will be paid as indicated below:
 - A. The maximum fee the Lender will pay WCS is not known at this time and will be in the range of 0.00% to 4.00% of the loan amount. The exact amount, if any, can be disclosed when the Lender confirms a rate lock request. The compensation WCS will receive from the lender for WCS's services is included in the rate, points, fees and terms of the loan as quoted by the Lender in its commitment; and/or,
 - B. The Applicant/s will pay WCS directly a total mortgage broker fee (inclusive of Application Fee and Processing Fee noted in Item 7) of \$4,945.00.
6. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
7. Applicant/s understands that s/he is required to pay the following fees, made payable to (WCS Lending, LLC), at Application or at Closing:

A.	Application Fee	<u>\$295.00</u>	At Application
B.	Processing Fee	<u>\$650.00</u>	At Closing
C.	Mortgage Broker Fee	<u>\$4,000.00</u>	At Closing

THE APPLICATION FEE IS NON-REFUNDABLE

8. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, or by the lender, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
9. Applicant understands that s/he is required to pay a property appraisal fee directly to the appraisal company, either at the time the appraisal is performed, or at the closing of the loan. The estimate for this cost is \$300.00. Applicant/s understands that s/he has the right to a copy of the appraisal report, provided that Applicant has paid the Appraisal Fee in full. Applicant understands that he/she will not be charged for a credit report that WCS will obtain on Applicant/s behalf at a cost of approximately \$18.
10. Applicant/s understand that certain mortgage products impose a prepayment penalty on the borrower. WCS will disclose the amount of, or the formula for calculating, the prepayment penalty, if any, as soon as WCS is informed.
11. TO EXPEDITE THE APPROVAL OF THE LOAN, APPLICANT/S HEREBY PRE-AUTHORIZATIONS WCS TO INCUR THIRD-PARTY FEES (ie., FLOOD CERTIFICATION OF \$22.00) ON APPLICANT/S BEHALF. APPLICANT/S AGREES TO REIMBURSE WCS FOR THE FEES ADVANCED.
12. Applicant/s may call William Schneider, Toll Free, at (866) WCS-LEND to address any complaints regarding the application. Any changes to this Agreement must be in writing and signed by an authorized officer of WCS. Applicant/s acknowledges receipt of a copy of this Broker Fee Agreement.


Applicant



Date

9-20-05

Co-Applicant



Date

9-20-05

WCS Lending

Date



Do not do anything that negatively impacts your ability to qualify for your mortgage loan, or initiates a new round of paperwork. If you have any doubts about doing something that may affect your ability to qualify for your mortgage loan, please do not hesitate to contact me.

These suggestions are all offered as cautions. Your mortgage application is not a static snap-shot of a client's financial life, but rather an on-going process that takes into account everything done right up until the day of closing.

By signing this Statement of understanding, you acknowledge that the information above has been fully explained to you.

A handwritten signature in dark ink, appearing to read "Dannick B. [unclear]", written over a horizontal line.

Applicant

A handwritten date "9/20/05" written over a horizontal line.

Date

A handwritten signature in dark ink, appearing to read "Uplanda [unclear]", written over a horizontal line.

Co-Applicant

A handwritten date "9-20-05" written over a horizontal line.

Date



CONTACT INFORMATION FORM

This form is designed to give us all the appropriate contact information to allow your processing to move as freely as possible. The information gathered here will also help us provide periodic updates on loan status, market conditions and any special promotions WCS Lending may be running.

Borrower:

Name: Darrick & Yolanda Grimes Phone (H): 718 464-3331
 Address: 188-19 104th Avenue Phone (W): 212 909-6401
St. Albans, New York 11412 Mobile: 917 776-8580 / 347 224-8141
 E-mail: ypgrimes@aol.com Pager: _____
 Fax: _____

Your Realtor:

Agency: Know Your Lifestyle Phone (W): (845) 565-1900
 Name: Lyra Blumenthal E-mail: lyra.realtor@aol.com
 Address: 655 Fosterstown Road Mobile: (845) 728-9940
Newburgh, NY 12550 Pager: _____
 Fax: _____

Your Attorney:

Firm: Keith Schutzman Phone (W): (914) 713-0001
 Name: _____ E-mail: _____
 Address: 774 White Plains Road Mobile: _____
Suite 220 Pager: _____
Scarsdale, NY 10583 Fax: (914) 713-0004

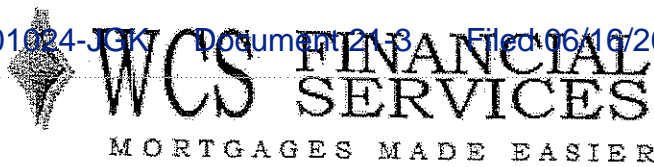
Seller:

Name: _____ Name: _____
 Phone: _____ Phone: _____

Listing Agent:

Managing Agent:

Name: _____
 Phone: _____



Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section.

Servicing Transfer Estimated

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

- A. ☐ We may assign, sell or transfer the servicing of your loan sometime while the loan is outstanding. We are able to service your loan, and we
- ☐ will service your loan.
 - ☐ will not service your loan.
 - ☐ haven't decided whether to service your loan.
- B. ☒ We do not service mortgage loans, and we have not serviced mortgage loans in the past Three (3) years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

2. For all the first lien mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of such loans for which we will transfer servicing is between:

☐ 0 to 25% ☐ 26 to 50% ☐ 51 to 75% ☒ 76 to 100%

This estimate ☒ does ☐ does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. A. ☒ We have previously assigned, sold or transferred the services of the first lien mortgage loans.
B. ☒ This is our record of transferring the servicing of the first lien mortgage loans we have made in:

Year	Percentage of Loans Transferred
2002	100%
2003	100%
2004	100%

This information ☒ does ☐ does not include assignments, sales or transfers to affiliates or subsidiaries.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form, understand its contents, and understand that this acknowledgement is a required part of the mortgage loan application as evidenced by my/our signatures below.

Applicant

9-20-05
Date

Co-Applicant

9-20-05
Date

WCS FINANCIAL SERVICES
MORTGAGES MADE EASIERDISCLOSURE NOTICES

Applicant(s): Yolanda Grimes

Property Address:

, NY

**OCCUPANCY STATEMENT**

This is to certify that I/We ☐ do ☐ do not intend to occupy the subject property as principal residence. I/We hereby certify under penalty of U.S. Criminal Code Section 1010 Title 18 U.S.C., that the above statement submitted for the purpose of obtaining mortgage insurance under the National Housing Act is true and correct. Initials _____

FAIR CREDIT REPORTING ACT

An investigation will be made as to the credit standing of all individuals seeking credit in this application. The nature and scope of any investigation will be furnished to you upon written request made within a reasonable period of time. In the event of denied credit due to an unfavorable consumer report, you will be advised of the identity of the Consumer Reporting Agency making such report and of right to request within Sixty (60) days the reason for the adverse action, pursuant to provisions of section of the Fair Credit Reporting Act. Initials _____

EQUAL CREDIT OPPORTUNITY ACT

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. Income which you receive as alimony, child support or separate maintenance need not be disclosed to this creditor unless you choose to rely on such sources to qualify for the loan. Income from these and other sources, including part-time or temporary employment, will not be discounted by this lender because of your sex or marital status. However, we will consider very carefully the stability and probable continuity of any income you disclose to us. The Federal Agency that administers compliance with this law concerning this creditor is the Office of Thrift Supervision, 1700 G. Street NW, Washington, DC 20552 (202) 906-6000 Initials _____

**RIGHT TO FINANCIAL PRIVACY ACT**

I/We acknowledge that this is notice to me/us as required by The Right to Financial Privacy Act of 1978 that the Veterans Administration (in the case of a VA Loan) or Department of Housing and Urban Development (in the case of an FHA Loan) has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to Financial records involving transactions will be available to the VA (in the case of a VA Loan) or to HUD (in the case of an FHA Loan) without further notice or authorization but will not be disclosed or released to another government agency or department without consent, except as required or permitted by law. Initials _____

**INFORMATION DISCLOSURE AUTHORIZATION**

I/We hereby authorize you to release to **WCS Lending, LLC** for verification purposes, information concerning:
☒ Employment History, dates, title(s), income, hours worked, etc. ☒ Banking (checking & savings) account of record.
☒ Mortgage loan rating, opening date, high credit, payment amount, loan balance and payment. ☒ Any information deemed necessary in connection with consumer credit report for real estate transaction. This information is for the confidential use of this lender in compiling a mortgage loan credit report. A copy of this authorization may be deemed to be the equivalent of the original and may be used as a duplicate original. Initials YLG

**ANTI-COERCION STATEMENT**

The insurance laws of this state provide that the lender may not require the applicant to take insurance through any particular insurance agent or company to protect the mortgaged property. The applicant, subject to the rules adopted by the Insurance Commissioner, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the lender. The lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage. I have read the foregoing statement, or the rules of the Insurance Commissioner relative thereto, and understand my rights and privileges and those of the lender relative to the placing of such insurance. I have selected the following agencies to write the insurance covering the property described above: Insurance Co. Name: _____ Agent: _____ Initials _____

**FLOOD INSURANCE NOTIFICATION**

Federal regulations require us to inform you that the property used as security for this loan is located in an area identified by the U.S. Secretary of Housing Urban Development as having special flood hazards and that in the event of damage to the property caused by flooding in a Federally-declared disaster, Federal disaster relief assistance, if authorized, will be available for the property. At closing you will be asked to acknowledge your receipt of this information. If you have any questions concerning this notice, kindly contact your loan officer.

IMPORTANT: Please notify your insurance agent that the "loss payee" clause for the mortgagee on both the hazard and flood insurance must read as follows, unless otherwise advised: Initials _____

**CONSUMER HANDBOOK ON ADJUSTABLE RATE MORTGAGES**

I/W hereby acknowledge receipt from **WCS Lending, LLC** of a copy of the book titled "CONSUMER HANDBOOK ON ADJUSTABLE RATE MORTGAGES" published by the Federal Reserve Board and the Federal Home Bank Board which is provided in addition to other required adjustable rate mortgage disclosures. Initials _____

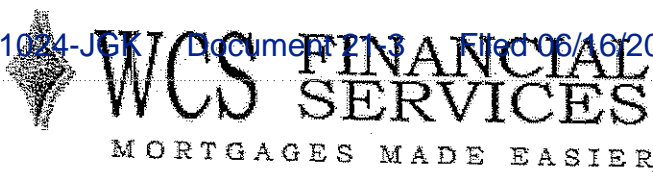
I/We hereby certify that I/We have read the Notices set forth and fully understand all of the above.

Applicant

Date

Co-Applicant

Date



NOTICE TO APPLICANT OF RIGHT
TO RECEIVE COPY OF APPRAISAL REPORT

Property Address :

, NY

File # :

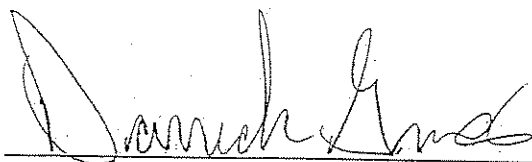
NT80659

Date :

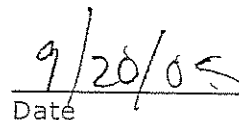
September 13,

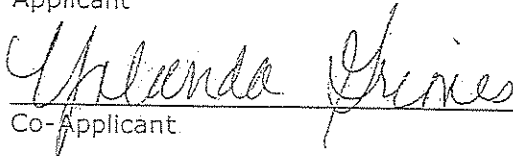
You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for the appraisal. We must receive your written request no later than Ninety (90) days after we notify you about the action on your application or you withdraw your application. If you would like a copy of the appraisal report, please contact:

Jonathan Tanenbaum
WCS Lending, LLC
6501 Congress Avenue, 3rd Floor
Boca Raton, FL 33487

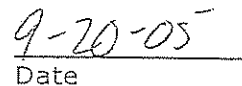


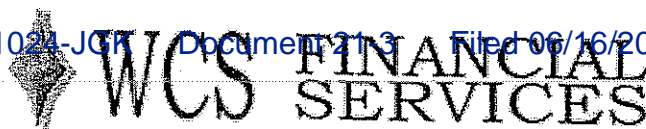
Applicant


Date



Co-Applicant


Date



MORTGAGES MADE EASIER

GOOD FAITH ESTIMATE PROVIDER RELATIONSHIP

Applicants: Yolanda Grimes

Prepared By: WCS Lending, LLC

Property Address:

6501 Congress Avenue, 3rd

Boca Raton, FL 33487

Application No: NT80659

Date Prepared: September 13, 2005

Lender requires use of the following provider(s) of settlement services (if none are listed,
Lender does not require the use of specified providers):

Provider Equifax
Address 6 E Clementon Road, Suite A-2
Gibbsboro, NJ 08026
Phone 1-800-333-0037

Provider _____
Address _____
Phone _____

Services to be rendered by this provider are
items number _____

Services to be rendered by this provider are
items number _____

above and the amounts listed are based upon
the charges of this provider. If checked,
Lender has the following type of business
relationship with this provider:

- ☐ The provider is an associate of Lender.
☐ The provider is an affiliate of Lender.
☐ The provider is a relative of Lender.
☐ The provider has an employment,
franchise or other business relationship
with Lender.
☐ Within the last 12 months, the provider has
maintained an account with Lender or
had an outstanding loan or credit
arrangement with Lender.
☒ Within the last 12 months, Lender has
repeatedly used or required borrowers to
use the services of this provider.

above and the amounts listed are based upon
the charges of this provider. If checked,
Lender has the following type of business
relationship with this provider:

- ☐ The provider is an associate of Lender.
☐ The provider is an affiliate of Lender.
☐ The provider is a relative of Lender.
☐ The provider has an employment,
franchise or other business relationship
with Lender.
☐ Within the last 12 months, the provider has
maintained an account with Lender or
had an outstanding loan or credit
arrangement with Lender.
☐ Within the last 12 months, Lender has
repeatedly used or required borrowers to
use the services of this provider.

Danish Lugo 9/20/05
Applicant Date

Yolanda Grimes 9-20-05
Applicant Date

Applicant Date

Applicant Date



OPT-OUT REQUEST FORM

Please Print:

- 1) Borrower and Co Name: Darrick & Yolanda Grimes
- 2) Address: 188-19 104th Avenue
- 3) City, State and Zip: St. Albans, NY 11412
- 4) Borrower and Co SS #: 133-84-3057 / 111-56-6446
(Required to Process Your Request)
- 5) Loan #:
- 6) Borrower and Co Signature: Darrick & Yolanda Grimes
- 7) Please provide a telephone number that we may use to contact you if we have questions:
917 716-8580
- 8) Please complete all information in this form, and mail it back to the following address:

Attn: Operations Manager

WCS Lending, LLC
6501 Congress Avenue, 3rd Floor
Boca Raton, FL 33487

____ Please exclude me from non-public personal information sharing with non-affiliated third parties (other than those disclosures permitted by law). I understand that I may be contacted by affiliated third parties, only for services directly related to this loan application.

Darrick Grimes
Applicant

9-20-05
Date

Yolanda Grimes
Co-Applicant

9-20-05
Date

Please allow a reasonable period of time (up to 90 days) for us to process your request.

Uniform Residential Loan Application

This application is to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when ☐ the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

Section I: TYPE OF MORTGAGE AND TERMS OF LOAN					
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> FHA	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> USDA/Rural Housing Service	<input type="checkbox"/> Other (explain):		
Agency Case Number		Lender Case Number			
Amount:	\$ 405,000	Interest Rate:	7.000 %	No. of Months:	360/360
Amortization Type:		<input type="checkbox"/> Fixed Rate <input type="checkbox"/> GPM <input checked="" type="checkbox"/> ARM (type): 2/28			

Section II: PROPERTY INFORMATION AND PURPOSE OF LOAN	
Subject Property Address (street, city, state, ZIP): 23 Stacy Lee Drive; Newburgh, NY 1250 County: Orange	
No. of Units:	1
Legal Description of Subject Property (attach description if necessary): See title	
Year Built: 1987	

Purpose of Loan:	<input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Refinance	<input type="checkbox"/> Construction <input type="checkbox"/> Construction-Permanent	<input type="checkbox"/> Other (explain):	Property will be:	<input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
------------------	--	--	---	-------------------	--

Complete this line if construction or construction-permanent loan.					
Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	\$	\$	\$	\$	\$

Complete this line if this is a refinance loan.					
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
	\$	\$			
				Cost \$	

Title will be held in what Name(s):	Darrick Grimes Yolanda Grimes	Manner in which Title will be held:	Joint tenants.	Estate will be held in:	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain): Deposit on Sales Contract					

Section III: BORROWER INFORMATION					
Borrower's Name (include Jr. or Sr. if applicable): Darrick Grimes			Co-Borrower's Name (include Jr. or Sr. if applicable): Yolanda Grimes		
Social Security Number	Home Phone (incl. area code)	DOB (MM/DD/YYYY)	Yrs. School	Social Security Number	Home Phone (incl. area code)
133-84-3057	718-464-3331	01/09/1962	14	111-56-6446	10/29/1968
<input checked="" type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)	Dependents (not listed by Co-Borrower): no. 2 ages 2, 14	<input checked="" type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)			
Present Address (street, city, state, ZIP): 188-19 104th Avenue St. Albans, NY 11412			Present Address (street, city, state, ZIP): 188-19 104th Avenue St. Albans, NY 11412		
Mailing Address, if different from Present Address:			Mailing Address, if different from Present Address:		

If residing at present address for less than two years, complete the following:					
Former Address (street, city, state, ZIP): <input type="checkbox"/> Own <input type="checkbox"/> Rent No. Yrs.			Former Address (street, city, state, ZIP): <input type="checkbox"/> Own <input type="checkbox"/> Rent No. Yrs.		

Section IV: EMPLOYMENT INFORMATION					
Borrower:			Co-Borrower:		
Name & Address of Employer:	<input checked="" type="checkbox"/> Self Employed	Yrs. on this job: 0 yr(s) 10 mth(s)	Name & Address of Employer:	<input type="checkbox"/> Self Employed	Yrs. on this job: 3 yr(s) 0 mth(s)
EDO Corporation 60 East 42nd Street New York, NY 10166		Yrs. employed in this line of work/profession: 0, 8	Debevoise And Plimpton 919 Third Ave New York, NY 10022		Yrs. employed in this line of work/profession: 3
Position/Title/Type of Business:	Business Phone (incl. area code):		Position/Title/Type of Business:	Business Phone (incl. area code):	
Legal Assistant	212-716-2069		Legal Assistant	212-909-6401	

If employed in current position for less than two years or if currently employed in more than one position, complete the following:					
Name & Address of Employer:			Name & Address of Employer:		
<input type="checkbox"/> Self Employed	Dates (from-to): 3/99 - 10/04	Monthly Income: \$ 6,000.00	<input type="checkbox"/> Self Employed	Dates (from-to):	Monthly Income: \$
Position/Title/Type of Business:			Position/Title/Type of Business:		
Legal Assistant 212-382-7000					
Name & Address of Employer:			Name & Address of Employer:		
<input type="checkbox"/> Self Employed	Dates (from-to):	Monthly Income: \$	<input type="checkbox"/> Self Employed	Dates (from-to):	Monthly Income: \$
Position/Title/Type of Business:			Position/Title/Type of Business:		
Business Phone (incl. area code):			Business Phone (incl. area code):		

MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION				Combined Monthly Housing Expense	
	Borrower	Co-Borrower	Total	Present	Proposed
Gross Monthly Income					
Base Empl. Income*	\$ 6,493.00	\$ 3,061.00	\$ 9,554.00	Rent	\$
Overtime				First Mortgage (P&I)	\$ 2,694.48
Bonuses				Other Financing (P&I)	270.00
Commissions				Hazard Insurance	75.00
Dividends/Interest				Real Estate Taxes	585.00
Net Rental Income	1,076.00		1,076.00	Mortgage Insurance	
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues	
				Other:	
Total	\$ 7,569.00	\$ 3,061.00	\$ 10,630.00	Total	\$ 3,624.48

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Monthly Amount
	\$

VI. ASSETS AND LIABILITIES
This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a spouse, this Statement and supporting schedules must be completed about that spouse also.

Completed ☐ Jointly ☐ Not Jointly

ASSETS		Cash or Market Value	LIABILITIES		
Description				Monthly Payment & Months Left to Pay	Unpaid Balance
Cash deposit toward purchase held by:	\$		Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.		
List checking and savings accounts below:			Name and address of Company	\$ Payment/Months	\$
Name and address of Bank, S&L, or Credit Union			HFC - USA P.O. BOX 1547 CHESAPEAKE, VA 23320		
Acct. no.	\$ 10,000		Acct. no. 64721500318863	(2,046)	292,142
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payment/Months	\$
Commerce Bank			SALLIE MAE 3RD PTY L 1002 ARTHUR DR LYNN HAVEN, FL 32444		
Acct. no.	\$ 2,000		Acct. no. 1115664461076	249	37,420
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payment/Months	\$
ING DIRECT			SM SERVICING PO BOX 9500 WILKES BARRE, PA 18773		
Acct. no.	\$ 1,500		Acct. no. 111566446107F	249	37,420
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payment/Months	\$
401K			HFC - USA P.O. BOX 1547 CHESAPEAKE, VA 23320		
Acct. no.	\$ 11,000		Acct. no. 64721516125790	503	35,209
Stocks & Bonds (Company name/number & description)	\$		Name and address of Company	\$ Payment/Months	\$
			CHRYSLER FINANCIAL 1 BLUE HILL PLZ STE 15 PEARL RIVER, NY 10965		
Life insurance net cash value	\$		Acct. no. 7000579255	397	9,379
Face amount \$			Name and address of Company	\$ Payment/Months	\$
Subtotal Liquid Assets	\$ 26,500		CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285		
Real estate owned (enter market value from schedule of real estate owned)	\$ 440,000		Acct. no. 517805246356	218	7,281
Vested interest in retirement fund	\$		Name and address of Company	\$ Payment/Months	\$
Net worth of business(es) owned (attach financial statement)	\$		HSBC/LEVITZ 90 CHRISTIANA RD NEW CASTLE, DE 19720		
Automobiles owned (make and year)	\$		Acct. no. 72062410245	(94)	1,882
Other Assets (itemize)	\$		Alimony/Child Support/Separate Maintenance Payments Owed to:	\$	
			Job Related Expense (child care, union dues, etc.)	\$	
Total Assets a.	\$ 466,500		Total Monthly Payments	\$ 1,910	
			Net Worth (a minus b)	\$ 37,532	Total Liabilities b. \$ 428,968

Schedule of Real Estate Owned (if additional properties are owned, use another sheet)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
Property Address (enter S if sold, PS if pending sale or R if rental being held for income) 188-19 104th Ave St Albans NY, 11412	R MULTI	\$ 440,000	\$ 312,000	\$ 4,400	\$ 2,024	\$ 200	\$ 1,076
Totals		\$ 440,000	\$ 312,000	\$ 4,400	\$ 2,024	\$ 200	\$ 1,076

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VIII. DETAILS OF TRANSACTION		IX. DECLARATIONS			
a. Purchase price	\$ 450,000.00	If you answer "yes" to any questions a through i, please use continuation sheet for explanation.			
b. Alterations, improvements, repairs					
c. Land (if acquired separately)					
d. Refinance (incl. debts to be paid off)					
e. Estimated prepaid items	3,626.25				
f. Estimated closing costs	9,218.50				
g. PMI, MIP, Funding Fee					
h. Discount (if Borrower will pay)					
i. Total costs (add items a through h)	462,844.75				
j. Subordinate financing					
k. Borrower's closing costs paid by Seller					
l. Other Credits (explain):					
Cash Deposit	10,000.00				
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	405,000.00				
n. PMI, MIP, Funding Fee financed:					
o. Loan amount (add m & n)	405,000.00				
p. Cash from/to Borrower (subtract i, k, l & o from l)	47,844.75				
		a. Are there any outstanding judgments against you?		Borrower	Co-Borrower
		b. Have you been declared bankrupt within the past 7 years?		Yes No	Yes No
		c. Have you had property foreclosed upon or given title, or deed in lieu thereof in the last 7 years?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		d. Are you a party to a lawsuit?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of lender, FHA or VA case number, if any, and reasons for the action.)		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		g. Are you obligated to pay alimony, child support, or separate maintenance?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		h. Is any part of the down payment borrowed?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		i. Are you a co-maker or endorser on a note?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		j. Are you a U. S. citizen?		<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
		k. Are you a permanent resident alien?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
		l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.		<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
		m. Have you had an ownership interest in a property in the last three years?		<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
		(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)?		PR/SH	PR/SH
		(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (C)?		SP	SP

ACKNOWLEDGMENT AND AGREEMENT

Each of the undersigned, specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described herein; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated herein; (6) any owner of the property who is a servicer of the Loan may verify or verify any information contained in this application from any source named in this application, and Lender, its successors or assigns may retain the original and/or an electronic record of this application, even if the Loan is not approved; (7) Lender and its agents, brokers, insurers, servicers, successors and assigns may rely on the information contained in the application, and I am obligated to amend and supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the owner or servicer of the Loan may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Borrower's Signature

Borrower's Signature

Lender's Signature: <u>[Signature]</u> Date: <u>10/20/05</u>		Co-Borrower's Signature: <u>[Signature]</u> Date: <u>10-20-05</u>	
INFORMATION FOR GOVERNMENT MONITORING PURPOSES			
The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may discriminate neither on the basis of this information, nor on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation, if you do not furnish ethnicity, race, or sex, under Federal regulations; this lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, on please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)			
BORROWER <input type="checkbox"/> I do not wish to furnish this information		CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information	
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino		Ethnicity: <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino	
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input checked="" type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White		Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input checked="" type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	
Sex: <input type="checkbox"/> Female <input checked="" type="checkbox"/> Male		Sex: <input checked="" type="checkbox"/> Female <input type="checkbox"/> Male	
To be Completed by Interviewer This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Internet		Name and Address of Interviewer's Employer WCS Financial Services 5501 Congress Avenue, 3rd Floor Boca Raton, FL 33487 (P) 858-927-5363 (F) 561-854-2801	
Interviewer's Name (print or type): J Tanenbaum		Interviewer's Signature: _____ Date: _____	
Interviewer's Phone Number (incl. area code): 866-927-5363			

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.	Borrower:		Agency Case Number:
	Darrick Grimes		
	Co-Borrower:		Lender Case Number:
	Yolanda Grimes		

ASSETS AND LIABILITIES				
ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
401k		HSBC/LEVITZ 90 CHRISTINANA ROAD NEW CASTLE, DE 19720		
Acct. no.	\$ 2,000	Acct. No. 720624-4102458197	94	1,882
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		PROVIDIAN FINANCIAL 4940 JOHNSON DR PLEASANTON, CA 94566		
Acct. no.	\$	Acct. No. 0300545735	51	1,687
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		PROVIDIAN FINANCIAL 4940 JOHNSON DR PLEASANTON, CA 94566		
Acct. no.	\$	Acct. No. 0800611925	32	1,039
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		HSBC NV POB 98706 LAS VEGAS, NV 89193		
Acct. no.	\$	Acct. No. 544045005310	25	893
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		DRS SHERMAN STR 322 WALL STREET PRINCETON, NJ 08540		
Acct. no.	\$	Acct. No. 684026		725
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		HSBC NV 1441 SCHILLING PLACE SALINAS, CA 93901		
Acct. no.	\$	Acct. No. 275000393589	18	662
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		HSBC NV 1441 SCHILLING PLACE SALINAS, CA 93901		
Acct. no.	\$	Acct. No. 912055364537	18	507
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285		
Acct. no.	\$	Acct. No. 517805248879	15	348
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285		
Acct. no.	\$	Acct. No. 517805256683	15	255
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Pay/L/Mos.	\$
		ACTION CARD/BANK FIR POB 2394 OMAHA, NE 68103		
Acct. no.	\$	Acct. No. 5256181011029103	15	157

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature: *Darrick Grimes* Date: *9/20/05* Co-Borrower's Signature: *Yolanda Grimes* Date: *9-20-05*

Borrower:

Darrick Grimes

Co-Boatpower™

Yolanda Grimes

Agency Case Number:	
---------------------	--

Lender Case Number:

VIEW ASSETS AND LIABILITIES

ASSETS		Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union			Name and address of Company AMEX P O BOX 297871 FORT LAUDERDAL, FL 33329.	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No. 144999036017301251		40
Name and address of Bank, S&L, or Credit Union			Name and address of Company AMEX PO BOX 297871 FORT LAUDERDALE, FL 33329	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No. -144999036017301251	10	40
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		
Name and address of Bank, S&L, or Credit Union			Name and address of Company	\$ Payt./Mos.	\$.
Acct. no.	\$		Acct. No.		

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature: _____

Borrower's Signature: _____

Date _____

Cg-Borrower's Signature:

Date _____

Freddie Mac Form 65 01/04
CALYX Form 1003 Lnap4ast.fm 01/04

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.

Borrower:	Agency Case Number:
Darrick Grimes	
Co-Borrower:	Lender Case Number:
Yolanda Grimes	

Borrower		CO-BORROWER INFORMATION		Co-Borrower	
Former Address (street, city, state, ZIP)	<input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP)	<input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.		

I/we fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date:	Co-Borrower's Signature:	Date:
X <i>Darrick Grimes</i>	9/20/05	X <i>Yolanda Grimes</i>	9-20-05

9-

Net
Rental Income

Fannie Mae Form 1003 01/04

Applicant: Yolanda Grimes
 Property Address: 23 Stacy Lee Drive
 Newburgh, NY 1250
 Application No: GrimesYolandaNT80559
 Prepared By: WCS Financial Services
 6501 Congress Avenue, 3rd Floor
 Boca Raton, FL 33487
 886-927-5363
 Date Prepared: 09/13/2005

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
5.167 %	\$ 380,698.21	\$ 405,000.00	\$ 785,698.21

☐ REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit payments. Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due	Monthly Beginning:
24	2,694.48		
12	2,194.78		
323	2,144.11		
1	2,145.80		

☐ DEMAND FEATURE: This obligation has a demand feature.
☒ VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signature
Credit Life		I want credit life insurance. Signature:
Credit Disability		I want credit disability insurance. Signature:
Credit Life and Disability		I want credit life and disability insurance. Signature:

INSURANCE: The following insurance is required to obtain credit:
☐ Credit life insurance ☐ Credit disability ☐ Property insurance ☐ Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor.

☐ If you purchase ☐ property ☐ flood insurance from creditor you will pay \$

for a one year term.

SECURITY: You are giving a security interest in: 23 Stacy Lee Drive, Newburgh NY 1250.

☒ The goods or property being purchased ☐ Real property you already own.

FILING FEES: \$

LATE CHARGE: If a payment is more than 15 days late, you will be charged 5.000 % of the payment.

PREPAYMENT: If you pay off early, you

☐ may ☒ will not have to pay a penalty.

☐ may ☒ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

☐ may ☐ may, subject to conditions

☒ may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties.

☒ * means an estimate

☐ all dates and numerical disclosures except the late payment disclosures are estimates.

* NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

Darrick Grimes

(Applicant)

(Date)

Yolanda Grimes

(Applicant)

(Date)

(Applicant) (Date)

(Applicant) (Date)

(Lender) (Date)

MORTGAGES MADE EASIER

NEW YORK: PRE-APPLICATION DISCLOSURE AND BROKER FEE AGREEMENT

1. The Registrant, WCS Financial Services (since Registrant is "acting as a mortgage broker"), may not make mortgage loans or commitments. The Registrant ("WCS") may furnish a lock-in or commitment to Applicant on behalf of Applicant when WCS has obtained a written and executed commitment or lock-in from a lender on behalf of Applicant.
2. WCS has advised me/us ("Applicant/s") that WCS is authorized and prepared to assist and advise Applicant/s in securing financing. Applicant/s understands that WCS's services may include, but are not limited to:
 - Counseling on available mortgage products and general qualification procedures;
 - Counseling on Applicant/s financial capabilities;
 - Assistance in completing, processing, and in meeting conditions of the loan.
3. Applicant/s hereby engages WCS as Applicant's agent for the purpose of advising Applicant/s about financing and to provide the services described herein. This agreement will continue until the earlier of the declination of Applicant/s loan request, the closing of the loan, or Applicant/s termination of WCS's services.
4. Prior to paying any fees or submitting an application, the Applicant/s understands that: WCS's services are advisory and administrative in nature. WCS is acting as a broker and will not make the mortgage loan or commitment. WCS cannot guarantee acceptance into any particular loan program, specific loan terms or conditions. WCS may be eligible to receive a Lender paid bonus based upon the quality of loans placed with the Lender.

5. **BROKER FEE:**

Applicant/s understand that, as compensation for WCS's services, WCS will be paid as indicated below:

- A. The maximum fee the Lender will pay WCS is not known at this time and will be in the range of 0.00% to 4.00% of the loan amount. The exact amount, if any, can be disclosed when the Lender confirms a rate lock request. The compensation WCS will receive from the lender for WCS's services is included in the rate, points, fees and terms of the loan as quoted by the Lender in its commitment; and/or,
- B. The Applicant/s will pay WCS directly a total mortgage broker fee (inclusive of Application Fee and Processing Fee noted in Item 7) of: \$4,945.00.
6. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
7. Applicant/s understands that s/he is required to pay the following fees, made payable to (WCS Lending, LLC), at Application or at Closing:

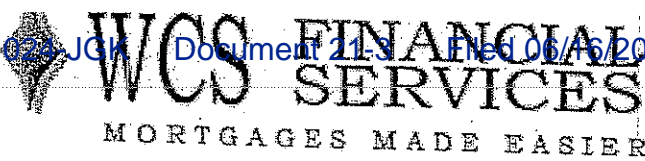
A.	Application Fee	<u>\$295.00</u>	At Application
B.	Processing Fee	<u>\$650.00</u>	At Closing
C.	Mortgage Broker Fee	<u>\$4,000.00</u>	At Closing

THE APPLICATION FEE IS NON-REFUNDABLE

8. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, or by the lender, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
9. Applicant understands that s/he is required to pay a property appraisal fee directly to the appraisal company, either at the time the appraisal is performed, or at the closing of the loan. The estimate for this cost is \$300.00. Applicant/s understands that s/he has the right to a copy of the appraisal report, provided that Applicant has paid the Appraisal Fee in full. Applicant understands that he/she will not be charged for a credit report that WCS will obtain on Applicant/s behalf at a cost of approximately \$18.
10. Applicant/s understand that certain mortgage products impose a prepayment penalty on the borrower. WCS will disclose the amount of, or the formula for calculating, the prepayment penalty, if any, as soon as WCS is informed.
11. TO EXPEDITE THE APPROVAL OF THE LOAN, APPLICANT/S HEREBY PRE-AUTHORIZATIONS WCS TO INCUR THIRD-PARTY FEES (ie., FLOOD CERTIFICATION OF \$22.00) ON APPLICANT/S BEHALF. APPLICANT/S AGREES TO REIMBURSE WCS FOR THE FEES ADVANCED.
12. Applicant/s may call William Schneider, Toll Free, at (866) WCS-LEND to address any complaints regarding the application. Any changes to this Agreement must be in writing and signed by an authorized officer of WCS.

Applicant/s acknowledges receipt of a copy of this Broker Fee Agreement.

Applicant Daniel Jones Date 9-20-05
 Co-Applicant Yolanda Jones Date 9-20-05
 WCS Lending [Signature] Date _____

RATE LOCK / FLOAT ADDENDUM

Applicant acknowledges that the interest rate on this loan is floating unless Applicant receives an Interest Rate Lock-In Agreement confirmation from WCS Lending by mail, e-mail or fax. Applicant must sign an Interest Rate Lock-In Agreement in order to have the lock-in guaranteed by WCS Lending. If Applicant has not signed an Interest Rate Lock-In Agreement, the rate is not locked and therefore not guaranteed.

If Applicant has locked in a rate, and WCS Lending has not received an application package back within Seven (7) days, the Interest Rate Lock-In Agreement will be cancelled.

Please check the appropriate selection and sign below:

☐ I have received an Interest Rate Lock-In Agreement from WCS Lending and my rate is in accordance to what was agreed.

☒ I acknowledge that my interest rate is currently floating and is subject to daily changes based upon market fluctuations.

Applicant

9/20/05
Date

Co-Applicant

9/20/05
Date

Exhibit B - Part 2



OPT-OUT REQUEST FORM

Please Print:

- 1) Borrower and Co Name: Darrick & Yolanda Grimes
- 2) Address: 188-19 104th Avenue
- 3) City, State and Zip: St. Albans, NY 11412
- 4) Borrower and Co SS #: 133-84-3057 / 111-56-6446
(Required to Process Your Request)
- 5) Loan #:
- 6) Borrower and Co Signature: Darrick & Yolanda Grimes
- 7) Please provide a telephone number that we may use to contact you if we have questions:
917 776-8580
- 8) Please complete all information in this form, and mail it back to the following address:

Attn: Operations Manager
WCS Lending, LLC
6501 Congress Avenue, 3rd Floor
Boca Raton, FL 33487

____ Please exclude me from non-public personal information sharing with non-affiliated third parties (other than those disclosures permitted by law). I understand that I may be contacted by affiliated third parties, only for services directly related to this loan application.

Darrick Grimes
Applicant

9-20-05
Date

Yolanda Grimes
Co-Applicant

9-20-05
Date

Please allow a reasonable period of time (up to 90 days) for us to process your request.



Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section.

Servicing Transfer Estimated

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:
- A. ☐ We may assign, sell or transfer the servicing of your loan sometime while the loan is outstanding. We are able to service your loan, and we
- ☐ will service your loan.
☐ will not service your loan.
☐ haven't decided whether to service your loan.
- B. ☒ We do not service mortgage loans, and we have not serviced mortgage loans in the past Three (3) years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

2. For all the first lien mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of such loans for which we will transfer servicing is between:
- ☐ 0 to 25% ☐ 26 to 50% ☐ 51 to 75% ☒ 76 to 100%

This estimate ☒ does ☐ does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. A. ☒ We have previously assigned, sold or transferred the services of the first lien mortgage loans.
 B. ☒ This is our record of transferring the servicing of the first lien mortgage loans we have made in:

Year	Percentage of Loans Transferred
2002	100%
2003	100%
2004	100%

This information ☒ does ☐ does not include assignments, sales or transfers to affiliates or subsidiaries.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form, understand its contents, and understand that this acknowledgement is a required part of the mortgage loan application as evidenced by my/our signatures below.

Applicant

Date

Co-Applicant

Date

DISCLOSURE NOTICES

Applicant(s): Yolanda Grimes

Property Address:

, NY

☐OCCUPANCY STATEMENT

This is to certify that I/We ☐ do ☐ do not intend to occupy the subject property as principal residence. I/We hereby certify under penalty of U.S. Criminal Code Section 1010 Title 18 U.S.C., that the above statement submitted for the purpose of obtaining mortgage insurance under the National Housing Act is true and correct. Initials _____

FAIR CREDIT REPORTING ACT

An investigation will be made as to the credit standing of all individuals seeking credit in this application. The nature and scope of any investigation will be furnished to you upon written request made within a reasonable period of time. In the event of denied credit due to an unfavorable consumer report, you will be advised of the identity of the Consumer Reporting Agency making such report and of right to request within Sixty (60) days the reason for the adverse action, pursuant to provisions of section of the Fair Credit Reporting Act. Initials _____

EQUAL CREDIT OPPORTUNITY ACT

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. Income which you receive as alimony, child support or separate maintenance need not be disclosed to this creditor unless you choose to rely on such sources to qualify for the loan. Income from these and other sources, including part-time or temporary employment, will not be discounted by this lender because of your sex or marital status. However, we will consider very carefully the stability and probable continuity of any income you disclose to us. The Federal Agency that administers compliance with this law concerning this creditor is the Office of Thrift Supervision, 1700 G. Street NW, Washington, DC 20552 (202) 906-6000. Initials _____

☐RIGHT TO FINANCIAL PRIVACY ACT

I/We acknowledge that this is notice to me/us as required by The Right to Financial Privacy Act of 1978 that the Veterans Administration (in the case of a VA Loan) or Department of Housing and Urban Development (in the case of an FHA Loan) has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to financial records involving transactions will be available to the VA (in the case of a VA Loan) or to HUD (in the case of an FHA Loan) without further notice or authorization but will not be disclosed or released to another government agency or department without consent, except as required or permitted by law. Initials _____

☐INFORMATION DISCLOSURE AUTHORIZATION

I/We hereby authorize you to release to WCS Lending, LLC for verification purposes, information concerning:
☒ Employment History, dates, title(s), income, hours worked, etc. ☒ Banking (checking & savings) account of record.
☒ Mortgage loan rating, opening date, high credit, payment amount, loan balance and payment. ☒ Any information deemed necessary in connection with consumer credit report for real estate transaction. This information is for the confidential use of this lender in compiling a mortgage loan credit report. A copy of this authorization may be deemed to be the equivalent of the original and may be used as a duplicate original. Initials YLG

☐ANTI-COERCION STATEMENT

The insurance laws of this state provide that the lender may not require the applicant to take insurance through any particular insurance agent or company to protect the mortgaged property. The applicant, subject to the rules adopted by the Insurance Commissioner, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the lender. The lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage. I have read the foregoing statement, or the rules of the Insurance Commissioner relative thereto, and understand my rights and privileges and those of the lender relative to the placing of such insurance. I have selected the following agencies to write the insurance covering the property described above: Insurance Co. Name: _____ Agent: _____ Initials _____

☐FLOOD INSURANCE NOTIFICATION

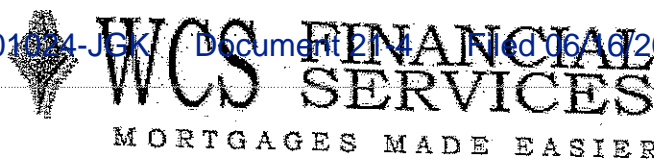
Federal regulations require us to inform you that the property used as security for this loan is located in an area identified by the U.S. Secretary of Housing Urban Development as having special flood hazards and that in the event of damage to the property caused by flooding in a Federally-declared disaster, Federal disaster relief assistance, if authorized, will be available for the property. At closing you will be asked to acknowledge your receipt of this information. If you have any questions concerning this notice, kindly contact your loan officer.
IMPORTANT: Please notify your insurance agent that the "loss payee" clause for the mortgagee on both the hazard and flood insurance must read as follows, unless otherwise advised: Initials _____

☐CONSUMER HANDBOOK ON ADJUSTABLE RATE MORTGAGES

I/We hereby acknowledge receipt from WCS Lending, LLC of a copy of the book titled "CONSUMER HANDBOOK ON ADJUSTABLE RATE MORTGAGES" published by the Federal Reserve Board and the Federal Home Bank Board which is provided in addition to other required adjustable rate mortgage disclosures. Initials _____

I/We hereby certify that I/We have read the Notices set forth and fully understand all of the above.

Applicant: Yolanda GrimesDate: 9/20/05Co-Applicant: Yolanda GrimesDate: 9-20-05



NOTICE TO APPLICANT OF RIGHT
TO RECEIVE COPY OF APPRAISAL REPORT

Property Address :

, NY

File # :

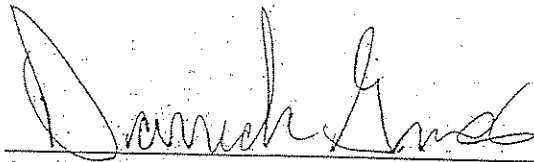
NT80659

Date :

September 13,

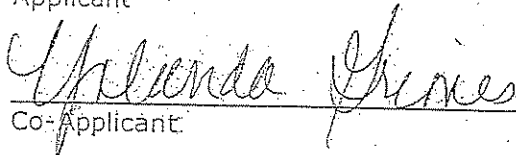
You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for the appraisal. We must receive your written request no later than Ninety (90) days after we notify you about the action on your application or you withdraw your application. If you would like a copy of the appraisal report, please contact:

Jonathan Tanenbaum
WCS Lending, LLC
6501 Congress Avenue, 3rd Floor
Boca Raton, FL 33487



Applicant

9/20/05
Date



Co-Applicant

9-20-05
Date



MORTGAGES MADE EASIER

GOOD FAITH ESTIMATE PROVIDER RELATIONSHIP

Applicants: Yolanda Grimes

Prepared By: WCS Lending, LLC

Property Address: NY

6501 Congress Avenue, 3rd.
Boca Raton, FL 33487

Application No: NT80659

Date Prepared: September 13, 2005

Lender requires use of the following provider(s) of settlement services (if none are listed,
Lender does not require the use of specified providers):

Provider: Equifax

Address: 6 E Clementon Road, Suite A-2

Gibbsboro, NJ 08026

Phone: 1-800-333-0037

Provider: _____

Address: _____

Phone: _____

Services to be rendered by this provider are
items number _____

Services to be rendered by this provider are
items number _____

above and the amounts listed are based upon
the charges of this provider. If checked,
Lender has the following type of business
relationship with this provider:

above and the amounts listed are based upon
the charges of this provider. If checked,
Lender has the following type of business
relationship with this provider:

☐ The provider is an associate of Lender.☐ The provider is an affiliate of Lender.☐ The provider is a relative of Lender.☐ The provider has an employment,
franchise or other business relationship
with Lender.☐ Within the last 12 months, the provider has
maintained an account with Lender or
had an outstanding loan or credit
arrangement with Lender.☒ Within the last 12 months, Lender has
repeatedly used or required borrowers to
use the services of this provider.☐ The provider is an associate of Lender.☐ The provider is an affiliate of Lender.☐ The provider is a relative of Lender.☐ The provider has an employment,
franchise or other business relationship
with Lender.☐ Within the last 12 months, the provider has
maintained an account with Lender or
had an outstanding loan or credit
arrangement with Lender.☐ Within the last 12 months, Lender has
repeatedly used or required borrowers to
use the services of this provider.

Applicant

Date

Applicant

Date

Applicant

Date

Applicant

Date

6501 Congress Avenue, 3rd Floor • Boca Raton, Florida 33487
(356) WCS-LEND • www.WCSLending.com

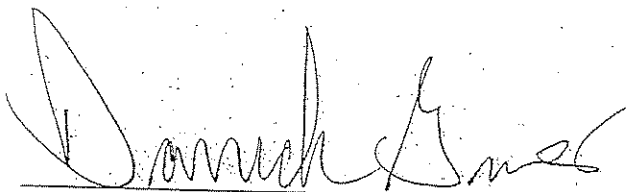
WCS FINANCIAL SERVICES

MORTGAGES MADE EASIER

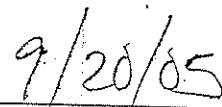
Do not do anything that negatively impacts your ability to qualify for your mortgage loan, or initiates a new round of paperwork. If you have any doubts about doing something that may affect your ability to qualify for your mortgage loan, please do not hesitate to contact me.

These suggestions are all offered as cautions. Your mortgage application is not a static snap-shot of a client's financial life, but rather an on-going process that takes into account everything done right up until the day of closing.

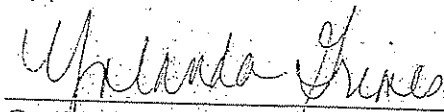
By signing this Statement of understanding, you acknowledge that the information above has been fully explained to you.



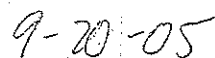
Applicant



Date



Co-Applicant



Date

CONTACT INFORMATION FORM

This form is designed to give us all the appropriate contact information to allow your processing to move as freely as possible. The information gathered here will also help us provide periodic updates on loan status, market conditions and any special promotions WCS Lending may be running.

Borrower:

Name: Darrick & Yolanda Grimes Phone (H): 718 464-3331
Address: 188-19 104th Avenue Phone (W): 212 909-6401
St Albans, New York 11412 Mobile: 917 776-8580 / 347 224-8141
E-mail: 4pgrimes@aol.com Pager: _____
Fax: _____

Your Realtor:

Agency: Myra's Easy Lifestyle Phone (W): (845) 565-1900
Name: Myra Blumenthal E-mail: myra@realte@aol.com
Address: 655 Foster town Road Mobile: (845) 728-9940
Newburgh, NY 12550 Pager: _____
Fax: _____

Your Attorney:

Firm: Keith Schutzman Phone (W): (914) 713-0001
Name: _____ E-mail: _____
Address: 774 White Plains Road Mobile: _____
Suite 220 Pager: _____
Scarsdale, NY 10583 Fax: (914) 713-0004

Seller:

Name: _____
Phone: _____

Listing Agent:

Name: _____
Phone: _____

Managing Agent:

Name: _____
Phone: _____

RESIDENTIAL CONTRACT OF SALE

Jointly Prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association (11/00)

CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other casualty loss or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real estate complies with Section 5-702 of the General Obligations Law ("Plain Language").

CONTRACT OF SALE made as of

between

Ronald J. Cohen and Ann Eve Cohen, husband and wife
Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Security Number/Fed. I. D. No(s):

hereinafter called "Seller" and

Darrick Grimes and Yolanda Grimes, husband and wife
Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. No(s):

hereinafter called "Purchaser."

The parties hereby agree as follows:

1. **Premises.** Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part hereof and also known as:

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Tax Map Designation: Section 106, Block 2, Lot(s) 4.2, Town of Newburgh, Orange County

Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, ~~opened or proposed, adjoining~~ the Premises to the center line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

2. **Personal Property.** This sale also includes all attached fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV aerials, weather vane, flagpole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built-in microwave oven, refrigerator, freezer, air conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below. ~~(sticker out)~~

~~central vacuum, ceiling fan, cook top, compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool filter, pool cover.~~

~~Excluded from this sale are furniture and household furnishings and~~

* and Stacy Lee Drive private road and interest therein

3. Purchase Price. The purchase price is payable as follows:

\$ 435,000.00

(a) on the signing of this contract, by Purchaser's good check payable to the Escrowee (as hereinafter defined), subject to collection, the receipt of which is hereby acknowledged, to be held in escrow pursuant to paragraph 6 of this contract (the "Downpayment");

(b) ~~by allowance for the principal amount unpaid on the existing mortgage on the date hereof, payment of which Purchaser shall assume by joinder in the deed;~~

\$ 20,000.00

(c) ~~by a purchase money note and mortgage from Purchaser to Seller;~~

\$

(d) balance at Closing in accordance with paragraph 7;

\$

\$ 415,000.00

~~4. Existing Mortgage (Delete if inapplicable) If this sale is subject to an existing mortgage as indicated in paragraph 3(b) above:~~

~~(a) The Premises shall be conveyed subject to the continuing lien of the existing mortgage, which is presently payable, with interest at the rate of _____ percent per annum, in monthly installments of \$ _____ which include principal,~~

~~interest and escrow amounts, if any, and with any balance of principal being due and payable on _____~~

~~(b) To the extent that any required payments are made on the existing mortgage between the date hereof and Closing which reduce the unpaid principal amount thereof below the amount shown in paragraph 3(b), then the balance of the price payable at Closing under paragraph 3(d) shall be increased by the amount of the payments of principal. Seller represents and warrants that the amount shown in paragraph 3(b) is substantially correct and agrees that only payments required by the existing mortgage will be made between the date hereof and Closing.~~

~~(c) If there is a mortgage escrow account, Seller shall assign it to Purchaser, if it can be assigned, and in that case Purchaser shall pay the amount in the escrow account to Seller at Closing.~~

~~(d) Seller shall deliver to Purchaser at Closing a certificate dated not more than 30 days before Closing, signed by the holder of the existing mortgage, in form for recording, certifying the amount of the unpaid principal, the date to which interest has been paid and the amounts, if any, claimed to be unpaid for principal and interest, itemizing the same. Seller shall pay the fees for recording such certificate. If the holder of the existing mortgage is a bank or other institution as defined in Section 274-a of the Real Property Law it may, instead of the certificate, furnish a letter signed by a duly authorized officer, employee or agent, dated not more than 30 days before Closing, containing the same information.~~

~~(e) Seller represents and warrants that (i) Seller has delivered to Purchaser true and complete copies of the existing mortgage, the note secured thereby and any extensions and modifications thereof, (ii) the existing mortgage is not now, and at the time of Closing will not be, in default, and (iii) the existing mortgage does not contain any provision that permits the holder of the mortgage to require its immediate payment in full or to change any other term thereof by reason of the sale or conveyance of the Premises.~~

5. Purchase Money Mortgage (Delete if inapplicable) If there is to be a purchase money mortgage as indicated in paragraph 3(c) above:

~~(a) The purchase money note and mortgage shall be drawn by the attorney for Seller in the form attached or, if not, in the standard form adopted by the New York State Land Title Association. Purchaser shall pay at Closing the mortgage recording tax, recording fees and the attorney's fees in the amount of \$ _____ for its preparation.~~

~~(b) The purchase money note and mortgage shall also provide that it is subject and subordinate to the lien of the existing mortgage and any extensions, modifications, replacements or consolidations of the existing mortgage, provided that (i) the interest rate thereof shall not be greater than _____ percent per annum and the total debt service thereunder shall not be greater than \$ _____ per annum, and (ii) if the principal amount thereof shall exceed the amount of principal owing and unpaid on the existing mortgage at the time of placing such new mortgage or consolidated mortgage, the excess be paid to the holder of such purchase money mortgage in reduction of the principal thereof. The purchase money mortgage shall also provide that such payment to the holder thereof shall not alter or affect the regular installments, if any, of principal payable thereunder and that the holder thereof will, on demand and without charge therefor, execute, acknowledge and deliver any agreement or agreements further to effectuate such subordination.~~

6. Downpayment in Escrow. (a) Seller's attorney ("Escrowee") shall hold the Downpayment in escrow in a segregated bank account at The Bank of New York

Address: 225 Main Street, Goshen, New York 10924

until Closing or sooner termination of this contract and shall pay over or apply the Downpayment in accordance with the terms of this paragraph. Escrowee shall hold the Downpayment in a(n) non interest-bearing account for the benefit of the parties. If interest is held for the benefit of the parties, it shall be paid to the party entitled to the Downpayment and the party receiving the interest shall pay any income taxes thereon. If interest is not held for the benefit of the parties, the Downpayment shall be placed in an IOIA account or as otherwise permitted or required by law. The Social Security or Federal Identification numbers of the parties shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Escrowee to Seller. If for any reason Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of

objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.

(d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.

(e) Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(f) The party whose attorney is Escrowee shall be liable for loss of the Downpayment.

7. **Acceptable Funds.** All money payable under this contract, unless otherwise specified, shall be paid by:

(a) Cash, but not over \$1,000.00;

(b) Good certified check of Purchaser drawn on or official check issued by ^{a New York} any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;

(c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of \$250.00; and

(d) As otherwise agreed to in writing by Seller or Seller's attorney.

8. **Mortgage Commitment Contingency.** ~~(Delete paragraph if inapplicable. For explanation, see Notes on Mortgage Commitment Contingency Clause.)~~

(a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before 30 days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(f) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of \$ 391,500.00 for a term of at least 30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.

(b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

(c) ~~(Delete this subparagraph if inapplicable.)~~ Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 8.

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 8.

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser and except as set forth in paragraph 27.

(g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.

(i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

9. **Permitted Exceptions.** The Premises are sold and shall be conveyed subject to:

- (a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;
- (b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;
- (c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;
- (d) Real estate taxes that are a lien, but are not yet due and payable; and
- (e) The other matters, if any, including a survey exception, set forth in a Rider attached.

10. **Governmental Violations and Orders.** (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters.

(b) ~~(Delete if inapplicable). All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing.~~

11. **Seller's Representations.** (a) Seller represents and warrants to Purchaser that:

- (i) The Premises abut or have a right of access to a public road;
- (ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;
- (iii) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");
- (iv) The Premises are not affected by any exemptions or abatelements of taxes; and
- (v) Seller has been known by no other name for the past ten years, except

(b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.

(c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.

12. **Condition of Property.** Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing ~~(except as otherwise set forth in paragraph 16(c))~~; without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.

13. **Insurable Title.** Seller shall give and Purchaser shall accept such title as any reputable title insurance or abstract company licensed to do business in the state of New York shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.

14. **Closing, Deed and Title.** (a) "Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a bargain and sale with covenant deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law. ~~(b) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.~~

15. **Closing Date and Place.** Closing shall take place at the office of Seller's attorney at 10AM o'clock on or about September 15, 2005 or, upon reasonable notice (by telephone or otherwise) by Purchaser, at the office of lender's attorney

16. **Conditions to Closing.** This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:

(a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.

(b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a single family dwelling at the date of Closing.

(c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by FIRPTA, or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.

(d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.

(e) All plumbing (including water supply and septic systems, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.

(f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

(g) The delivery by the parties of any other affidavits required as a condition of recording the deed.

17. **Deed Transfer and Recording Taxes:** At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. **Apportionments and Other Adjustments; Water Meter and Installment Assessments.** (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:

(i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) utility charges; (vi) rents as and when collected. (111) Apple Knoll Estates \$100 per quarter maintenance fee

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.

(c) ~~If there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.~~

(d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.

(e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.

19. **Allowance for Unpaid Taxes, etc.** Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.

20. **Use of Purchase Price to Remove Encumbrances.** If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

21. **Title Examination; Seller's Inability to Convey; Limitations of Liability.** (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b)(i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.

(c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaser for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating the existing survey of the Premises or of a new survey; and (ii) the obligations under paragraph 27 shall survive the termination of this contract.

22. **Affidavit as to Judgments, Bankruptcies, etc.** If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.

23. **Defaults and Remedies.** (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

(b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.

24. **Purchaser's Lien.** All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.

25. **Notices.** Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail, postage prepaid, or

(b) delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or

(c) with respect to ¶7(b) or ¶20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.

26. **No Assignment.** This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.

27. **Broker.** Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty (listing broker)

("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.

28. **Miscellaneous.** (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.

(b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.

(c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.

(d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.

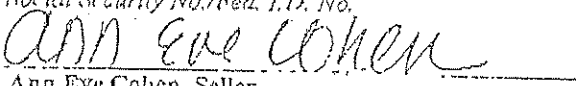
(e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

- (f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.
- (g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.
- (h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.
- (i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint hazards is attached hereto and made a part hereof.


IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.


Ronald J. Cohen, Seller

132 48 0549
Social Security No./Fed. I.D. No.


Ann Eve Cohen, Seller

003-54-8850
Social Security No./Fed. I.D. No.


Darriek Grimes, Purchaser

133-84-3057
Social Security No./Fed. I.D. No.


Yolanda Grimes, Purchaser

111-56-6446
Social Security No./Fed. I.D. No.

Attorney for Seller:

Cohen, Estis & Associates, LLP
Address: 40 Matthews Street
Goshen, New York 10924

Tel.: (845) 291-1900 Fax: (845) 291-0861

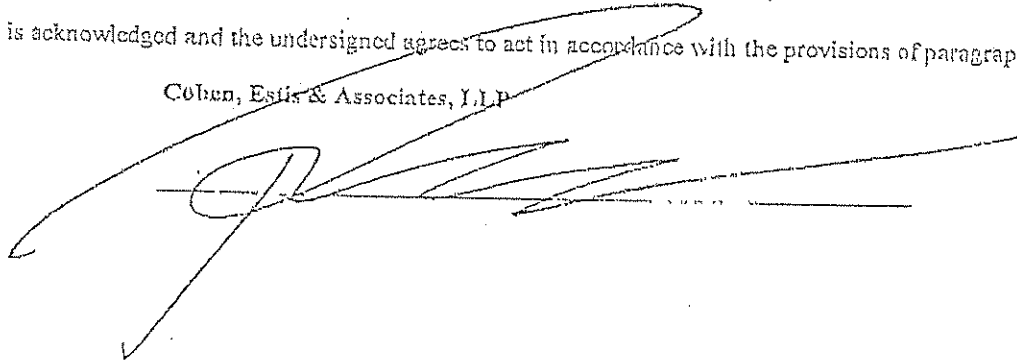
Attorney for Purchaser: Mark Marmer, Esq.

Debevoise & Plimpton LLC
Address: 919 3rd Avenue
New York, New York 10022

Tel.: (212) 909-7211 Fax: (212) 909-6386

Receipt of the Downpayment is acknowledged and the undersigned agrees to act in accordance with the provisions of paragraph 6.

Cohen, Estis & Associates, LLP



Underwriter No. 8711048097
Title Number 0211040653

Schedule A Description

Page 1

ALL that certain plot, piece or parcel of land situate lying and being in the Town of Newburgh, County of Orange and State of New York, being designated as Lot No. 11 on a map entitled "Subdivision Plan Lands of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map No. 7681, being more particularly bounded and described as follows:

Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot No. 12, of the above mentioned filed map, on the east and the lot No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301.17 feet to a point on the division line between Lot No. 10, of the above mentioned filed map, on the west and Lot No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

Insure

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

- (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
- _____
- ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check one below):
- ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____
- ☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) Purchaser has received copies of all information listed above.
- (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check one below):
- ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller Ronald J. Cohen

Date

Seller Ann Eve Cohen

Date

Purchaser

Purchaser Darrick Grimes

Date

Date

Agent

Purchaser Yolanda Grimes

Date

Date

BETWEEN 1976 AND 1980, A PARTNERSHIP WITH OFFICER W. R. D. JR., BOX 1166,
MILWAUKEE, WISCONSIN 53211

MAJOR ROBERT AND HELEN J. COHEN & SON FIVE BEDEN, BUILDING AND WILLYS, BUILDING
AT 6 CANTONMENT, 4th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 154th, 155th, 156th, 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th, 166th, 167th, 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th, 176th, 177th, 178th, 179th, 180th, 181st, 182nd, 183rd, 184th, 185th, 186th, 187th, 188th, 189th, 190th, 191st, 192nd, 193rd, 194th, 195th, 196th, 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th, 205th, 206th, 207th, 208th, 209th, 210th, 211th, 212th, 213th, 214th, 215th, 216th, 217th, 218th, 219th, 220th, 221st, 222nd, 223rd, 224th, 225th, 226th, 227th, 228th, 229th, 230th, 231st, 232nd, 233rd, 234th, 235th, 236th, 237th, 238th, 239th, 240th, 241st, 242nd, 243rd, 244th, 245th, 246th, 247th, 248th, 249th, 250th, 251st, 252nd, 253rd, 254th, 255th, 256th, 257th, 258th, 259th, 260th, 261st, 262nd, 263rd, 264th, 265th, 266th, 267th, 268th, 269th, 270th, 271st, 272nd, 273rd, 274th, 275th, 276th, 277th, 278th, 279th, 280th, 281st, 282nd, 283rd, 284th, 285th, 286th, 287th, 288th, 289th, 290th, 291st, 292nd, 293rd, 294th, 295th, 296th, 297th, 298th, 299th, 300th, 301st, 302nd, 303rd, 304th, 305th, 306th, 307th, 308th, 309th, 310th, 311th, 312th, 313th, 314th, 315th, 316th, 317th, 318th, 319th, 320th, 321st, 322nd, 323rd, 324th, 325th, 326th, 327th, 328th, 329th, 330th, 331st, 332nd, 333rd, 334th, 335th, 336th, 337th, 338th, 339th, 340th, 341st, 342nd, 343rd, 344th, 345th, 346th, 347th, 348th, 349th, 350th, 351st, 352nd, 353rd, 354th, 355th, 356th, 357th, 358th, 359th, 360th, 361st, 362nd, 363rd, 364th, 365th, 366th, 367th, 368th, 369th, 370th, 371st, 372nd, 373rd, 374th, 375th, 376th, 377th, 378th, 379th, 380th, 381st, 382nd, 383rd, 384th, 385th, 386th, 387th, 388th, 389th, 390th, 391st, 392nd, 393rd, 394th, 395th, 396th, 397th, 398th, 399th, 400th, 401st, 402nd, 403rd, 404th, 405th, 406th, 407th, 408th, 409th, 410th, 411th, 412th, 413th, 414th, 415th, 416th, 417th, 418th, 419th, 420th, 421st, 422nd, 423rd, 424th, 425th, 426th, 427th, 428th, 429th, 430th, 431st, 432nd, 433rd, 434th, 435th, 436th, 437th, 438th, 439th, 440th, 441st, 442nd, 443rd, 444th, 445th, 446th, 447th, 448th, 449th, 450th, 451st, 452nd, 453rd, 454th, 455th, 456th, 457th, 458th, 459th, 460th, 461st, 462nd, 463rd, 464th, 465th, 466th, 467th, 468th, 469th, 470th, 471st, 472nd, 473rd, 474th, 475th, 476th, 477th, 478th, 479th, 480th, 481st, 482nd, 483rd, 484th, 485th, 486th, 487th, 488th, 489th, 490th, 491st, 492nd, 493rd, 494th, 495th, 496th, 497th, 498th, 499th, 500th, 501st, 502nd, 503rd, 504th, 505th, 506th, 507th, 508th, 509th, 510th, 511th, 512th, 513th, 514th, 515th, 516th, 517th, 518th, 519th, 520th, 521st, 522nd, 523rd, 524th, 525th, 526th, 527th, 528th, 529th, 530th, 531st, 532nd, 533rd, 534th, 535th, 536th, 537th, 538th, 539th, 540th, 541st, 542nd, 543rd, 544th, 545th, 546th, 547th, 548th, 549th, 550th, 551st, 552nd, 553rd, 554th, 555th, 556th, 557th, 558th, 559th, 560th, 561st, 562nd, 563rd, 564th, 565th, 566th, 567th, 568th, 569th, 570th, 571st, 572nd, 573rd, 574th, 575th, 576th, 577th, 578th, 579th, 580th, 581st, 582nd, 583rd, 584th, 585th, 586th, 587th, 588th, 589th, 590th, 591st, 592nd, 593rd, 594th, 595th, 596th, 597th, 598th, 599th, 600th, 601st, 602nd, 603rd, 604th, 605th, 606th, 607th, 608th, 609th, 610th, 611th, 612th, 613th, 614th, 615th, 616th, 617th, 618th, 619th, 620th, 621st, 622nd, 623rd, 624th, 625th, 626th, 627th, 628th, 629th, 630th, 631st, 632nd, 633rd, 634th, 635th, 636th, 637th, 638th, 639th, 640th, 641st, 642nd, 643rd, 644th, 645th, 646th, 647th, 648th, 649th, 650th, 651st, 652nd, 653rd, 654th, 655th, 656th, 657th, 658th, 659th, 660th, 661st, 662nd, 663rd, 664th, 665th, 666th, 667th, 668th, 669th, 670th, 671st, 672nd, 673rd, 674th, 675th, 676th, 677th, 678th, 679th, 680th, 681st, 682nd, 683rd, 684th, 685th, 686th, 687th, 688th, 689th, 690th, 691st, 692nd, 693rd, 694th, 695th, 696th, 697th, 698th, 699th, 700th

WILLIAM H. HARRIS

—(550, 213)

by the party of the second part, described above and related with the party of the second part described in the first paragraph of the second part of the first paragraph.

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

Tax Map #246-7-4.2

[illegible]

SELLER'S RIDER TO CONTRACT

RONALD J. COHEN and ANN EVE COHEN
TO
DARRICK GRIMES and YOLANDA GRIMES

1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, LSTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such rescission pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable.

4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

7 CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

8 ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed hereto shall constitute acceptance of the terms of this rider.

9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assigns of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

10 CONTRACT TERMINATION

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Docc, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller elects to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser, at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

15. INSPECTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or hazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

19. LENDING INSTITUTION IN ANOTHER COUNTY

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at

closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westchester County, the additional sum is \$300.00.

20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contract list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100th day of this contract, otherwise Seller has the right to either (a) terminate Purchaser's rights under this contract ; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable;
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
- c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

- f. Any state of facts a personal inspection of the premises would disclose.
- g. Public utility easements of record, if any.

23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/ Social Security Number is as follows:

Seller: _____

Purchaser: _____

Seller: _____

Purchaser: _____

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than August 1, 2005, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the

of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

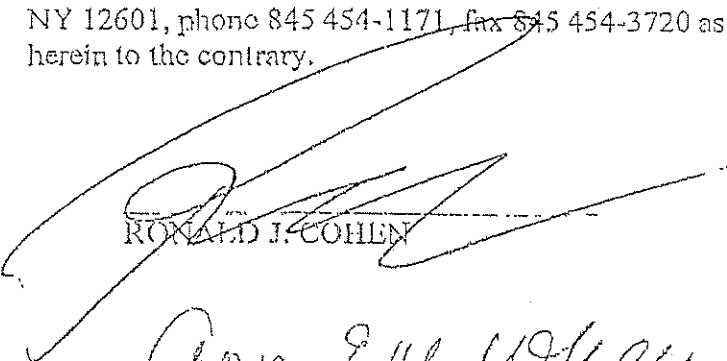
The fee(s) assessed by the homeowners association Apple Knoll Estates is \$100.00 per quarter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers (i) taxes on the private road - all up to date (ii) insurance and (iii) maintenance.

27. PROPERTY DISCLOSURE FORM

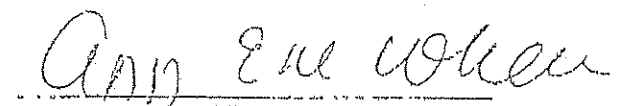
Seller has completed and the form is annexed hereto.

28. TITLE COMPANY

Purchaser shall use Feldman- Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.


RONALD J. COHEN


DARRICK GRIMES


ANN EVE COHEN


YOLANDA GRIMES

Property Condition Disclosure Statement

Name of Seller or Sellers: Ronald J. Cohen and Ann Eve Cohen

Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

Instructions to the Seller:

- (a) Answer all questions based upon your actual knowledge.
- (b) Attach additional pages with your signature if additional space is required.
- (c) Complete this form yourself.
- (d) If some items do not apply to your property, check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

General Information

1. How long have you owned the property? 1987 New at the time
2. How long have you occupied the property? 1987
3. What is the age of the structure or structures? 1987 House
Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.
4. Does anybody other than yourself have a lease, easement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to use a road or path or cut trees or crops?
 Yes ☐ No ☒ Unkn NA (If yes, explain below.)
5. Does anybody else claim to own any part of your property?
 Yes ☐ No ☒ Unkn NA (If yes, explain below.)

6. Has anyone denied you access to the property or made a formal legal claim challenging your title to the property? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
7. Are there any features of the property shared in common with adjoining land owners or a homeowners association, such as walls, fences or driveways? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, describe below.) *Stacy Lee Drive Private Road*
8. Are there any electric or gas utility surcharges for line extensions, special assessments or homeowner or other association fees that apply to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, explain below.)
9. Are there certificates of occupancy related to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If no, explain below.) *100 per quarter to Apple Knoll E-state.*

Environmental

Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the property located in a designated floodplain? Yes ☐ No ☒ Unkn ☐ NA (If yes, explain below.)
11. Is any or all of the property located in a designated wetland? Yes ☐ No ☒ Unkn ☐ NA (If yes, explain below.)
12. Is the property located in an agricultural district? Yes ☐ No ☒ Unkn ☐ NA (If yes, explain below.)
13. Was the property ever the site of a landfill? Yes ☐ No ☒ Unkn ☐ NA (If yes, explain below.)
14. Are there or have there ever been fuel storage tanks above or below the ground on the property? ☒ Yes ☐ No ☐ Unkn ☐ NA *Oil tank*
- If yes, are they currently in use? Yes ☐ No ☐ Unkn ☐ NA

Location(s) _____

Are they leaking or have they ever leaked? _____

- Yes ☐ No ☒ Unkn ☐ NA (If yes, explain below.)
15. Is there asbestos in the structure? Yes ☐ No ☒ Unkn ☐ NA (If yes, state location or locations below.)
16. Is lead plumbing present? Yes ☐ No ☒ Unkn ☐ NA (If yes, state location or locations below.)
17. Has a radon test been done? Yes ☐ No ☒ Unkn ☐ NA (If yes, attach a copy of the report.)
18. Has motor fuel, motor oil, home heating fuel, lubricating oil or any other petroleum product, methane gas, or any hazardous or toxic substance spilled, leaked or otherwise been released on the property or from the property onto any other property? Yes ☐ No ☒ Unkn ☐ NA (If yes, describe below.)

19. Has the property been tested for the presence of motor fuel, motor oil, home heating fuel, lubricating oil, or any other petroleum product, methane gas, or any hazardous or toxic substance?
Yes No Unkn NA (If yes, attach report(s).)

Structural

20. Is there any rot or water damage to the structure or structures?
Yes ☒ No Unkn NA (If yes, explain below.)
21. Is there any fire or smoke damage to the structure or structures?
Yes ☒ No Unkn NA (If yes, explain below.)
22. Is there any termite, insect, rodent or pest infestation or damage?
Yes ☒ No Unkn NA (If yes, explain below.)
23. Has the property been tested for termite, insect, rodent or pest infestation or damage?
Yes ☒ No Unkn NA (If yes, please attach report(s).)
24. What is the type of roof/roof covering (slate, asphalt, other.)?
Any known material defects?
Yes ☒ No Unkn NA (If yes, explain below.)
How old is the roof? 1981
Is there a transferable warranty on the roof in effect now?
Yes ☒ No Unkn NA (If yes, explain below.)
25. Are there any known material defects in any of the following structural systems: footings, beams, girders, lintels, columns or partitions?
Yes ☒ No Unkn NA (If yes, explain below.)

Mechanical Systems & Services

26. What is the water source (Circle all that apply ☒ well private, municipal, other)?
If municipal, is it metered?
Yes No Unkn NA
27. Has the water quality and/or flow rate been tested?
Yes ☒ No Unkn NA (If yes, describe below.)
28. What is the type of sewage system (Circle all that apply - public sewer, private sewer, septic or cesspool)?
If septic or cesspool, age? Septic 1987
Date last pumped? about 1 year ago
Frequency of pumping? 2-3 years
Any known material defects?
Yes ☒ No Unkn NA (If yes, explain below.)
29. Who is your electric service provider? Central Hudson
What is the amperage? yes
Does it have circuit breakers or fuses?
Private or public poles?
Any known material defects?
Yes ☒ No Unkn NA (If yes, explain below.)
30. Are there any flooding, drainage or grading problems that resulted in standing water on any portion of the property?
Yes ☒ No Unkn NA (If yes, state locations and explain below.)
31. Does the basement have seepage that results in standing water?
Yes ☒ No Unkn NA (If yes, explain below.)

Are there any known material defects in any of the following (If yes, explain below. Use additional sheets if necessary.):

32. Plumbing System?	Yes	<u>No</u>	Unkn	NA
33. Security System?	Yes	<u>No</u>	<u>Unkn</u>	NA
34. Carbon Monoxide Detector?	Yes	<u>No</u>	Unkn	NA
35. Smoke Detector?	Yes	<u>No</u>	Unkn	NA
36. Fire Sprinkler System?	Yes	<u>No</u>	Unkn	NA
37. Sump Pump?	<u>No</u>	<u>No</u>	Unkn	NA
38. Foundation/Slab?	Yes	<u>No</u>	Unkn	NA
39. Interior Walls/Ceilings?	Yes	<u>No</u>	Unkn	NA
40. Exterior Walls Or Siding?	Yes	<u>No</u>	Unkn	NA
41. Floors?	<u>Yes</u>	<u>No</u>	Unkn	NA
42. Chimney/Fireplace or Stove?	Yes	<u>No</u>	Unkn	NA
43. Patio/Deck?	Yes	<u>No</u>	Unkn	NA
44. Driveway?	Yes	<u>No</u>	Unkn	NA
45. Air Conditioner?	Yes	<u>No</u>	Unkn	NA
46. Heating System?	Yes	<u>No</u>	Unkn	NA
47. Hot Water Heater?	Yes	<u>No</u>	Unkn	NA

48. The Property is located in the following School District: Newburgh Unkn

Some tiles cracked

Note: Buyer is encouraged to check public records concerning the property (e.g. tax records and wetland and flood plain maps.)

The seller should use this area to further explain any item above. If necessary, attach additional pages and indicate here the number of additional pages attached.

Seller's Certification: Seller certifies that the information in this property condition disclosure statement is true and complete to the seller's actual knowledge as of the date signed by the seller. If a seller of residential real property acquires knowledge which renders materially inaccurate a property condition disclosure statement provided previously, the seller shall deliver a revised property condition disclosure statement to the buyer as soon as practicable. In no event, however, shall a seller be required to provide a revised property condition disclosure statement after the transfer of title from the seller to the buyer or occupancy by the buyer, whichever is earlier.

Seller

Ann E. Cohen

Date

7/14/05

Seller

[Signature]

Date

7/14/05

Buyer's Acknowledgment: Buyer acknowledges receipt of a copy of this statement and buyer understands that this information is a statement of certain conditions and information concerning the property known to the seller. It is not a warranty of any kind by the seller or seller's agent and is not a substitute for any home, pest, radon or other inspections or testing of the property or inspection of the public records.

Buyer

[Signature]

Date

8/1/05

Buyer

[Signature]

Date

8/1/05

ADDITIONAL RIDER TO CONTRACT OF SALE
23 Stacy Lee Drive
Newburgh, NY

1. The terms of this Additional Rider shall prevail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.
2. Seller makes the following additional representations and covenants:
 - (a) The underground oil tank has never leaked or been damaged.
 - (b) All work and alterations to the Premises have been performed in accordance with applicable law,
 - (c) Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
 - (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
 - (e) At closing, (i) the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be working and included in this sale.
3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.
4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.
5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the inability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller delivered within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later than the date of Purchaser's notice to proceed.

6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged at the closing.
7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.
8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.
9. Paragraph 28 of the Rider is deleted in its entirety.
10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the 12 day of July, 2005

SELLERS:

PURCHASERS:

Ann Sue Cohen

Yvonda Grimes

Exhibit C - Part 1

RESIDENTIAL CONTRACT OF SALE

Jointly Prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association, (11/00)

CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other casualty loss or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real estate complies with Section 5-702 of the General Obligations Law ("Plain Language").

CONTRACT OF SALE made as of

between

Ronald J. Cohen and Ann Eve Cohen, husband and wife
Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Security Number/Fed. I. D. No(s):

hereinafter called "Seller" and

Darrick Grimes and Yolanda Grimes, husband and wife
Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. No(s):

hereinafter called "Purchaser."

The parties hereby agree as follows:

1. **Premises.** Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part hereof and also known as:

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Tax Map Designation: Section 106, Block 2, Lot(s) 4.2, Town of Newburgh, Orange County

Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, ~~opened or proposed~~, adjoining the Premises to the center line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

attached

2. **Personal Property.** This sale also includes all fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV aerials, weather vane, flagpole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built-in microwave oven, refrigerator, freezer, air conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below. ~~(strike out inapplicable items)~~

central vacuum, ceiling fan, cook top, compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool filter, pool cover.

~~Excluded from this sale are furniture and household furnishings and~~

* and Stacy Lee Drive private road and interest therein

3. Purchase Price. The purchase price is payable as follows:

\$ 435,000.00

(a) on the signing of this contract, by Purchaser's good check payable to the Escrowee (as hereinafter defined), subject to collection, the receipt of which is hereby acknowledged, to be held in escrow pursuant to paragraph 6 of this contract (the "Downpayment"):

\$ 20,000.00

(b) by allowance for the principal amount unpaid on the existing mortgage on the date hereof, payment of which Purchaser shall assume by joinder in the deed:

\$

(c) by a purchase money note and mortgage from Purchaser to Seller:

\$

(d) balance at Closing in accordance with paragraph 7:

\$ 415,000.00

4. Existing Mortgage. (Delete if inapplicable) If this sale is subject to an existing mortgage as indicated in paragraph 3(b) above:

(a) The Premises shall be conveyed subject to the continuing lien of the existing mortgage, which is presently payable, with interest at the rate of _____ percent per annum, in monthly installments of \$ _____ which include principal, interest and escrow amounts, if any, and with any balance of principal being due and payable on _____

(b) To the extent that any required payments are made on the existing mortgage between the date hereof and Closing which reduce the unpaid principal amount thereof below the amount shown in paragraph 3(b), then the balance of the price payable at Closing under paragraph 3(d) shall be increased by the amount of the payments of principal. Seller represents and warrants that the amount shown in paragraph 3(b) is substantially correct and agrees that only payments required by the existing mortgage will be made between the date hereof and Closing.

(c) If there is a mortgage escrow account, Seller shall assign it to Purchaser, if it can be assigned, and in that case Purchaser shall pay the amount in the escrow account to Seller at Closing.

(d) Seller shall deliver to Purchaser at Closing a certificate dated not more than 30 days before Closing signed by the holder of the existing mortgage, in form for recording, certifying the amount of the unpaid principal, the date to which interest has been paid and the amount, if any, claimed to be unpaid for principal and interest, itemizing the same. Seller shall pay the fees for recording such certificate. If the holder of the existing mortgage is a bank or other institution as defined in Section 274-a of the Real Property Law it may, instead of the certificate, furnish a letter signed by a duly authorized officer, employee or agent, dated not more than 30 days before Closing, containing the same information.

(e) Seller represents and warrants that (i) Seller has delivered to Purchaser true and complete copies of the existing mortgage, the note secured thereby and any extensions and modifications thereof, (ii) the existing mortgage is not now, and at the time of Closing will not be, in default, and (iii) the existing mortgage does not contain any provision that permits the holder of the mortgage to require its immediate payment in full or to change any other term thereof by reason of the sale or conveyance of the Premises.

5. Purchase Money Mortgage. (Delete if inapplicable) If there is to be a purchase money mortgage as indicated in paragraph 3(c) above:

(a) The purchase money note and mortgage shall be drawn by the attorney for Seller in the form attached or, if not, in the standard form adopted by the New York State Land Title Association. Purchaser shall pay at Closing the mortgage recording tax, recording fees and the attorney's fees in the amount of \$ _____ for its preparation.

(b) The purchase money note and mortgage shall also provide that it is subject and subordinate to the lien of the existing mortgage and any extensions, modifications, replacements or consolidations of the existing mortgage, provided that (i) the interest rate thereof shall not be greater than _____ percent per annum and the total debt service thereunder shall not be greater than \$ _____ per annum, and (ii) if the principal amount thereof shall exceed the amount of principal owing and unpaid on the existing mortgage at the time of placing such new mortgage or consolidated mortgage, the excess be paid to the holder of such purchase money mortgage in reduction of the principal thereof. The purchase money mortgage shall also provide that such payment to the holder thereof shall not alter or affect the regular installments, if any, of principal payable thereunder and that the holder thereof will, on demand and without charge therefor, execute, acknowledge and deliver any agreement or agreements further to effectuate such subordination.

6. Downpayment in Escrow. (a) Seller's attorney ("Escrowee") shall hold the Downpayment in escrow in a segregated bank account at The Bank of New York
Address: 225 Main Street, Goshen, New York 10924
until Closing or sooner termination of this contract and shall pay over or apply the Downpayment in accordance with the terms of this paragraph. Escrowee shall hold the Downpayment in a(n) _____ non-interest-bearing account for the benefit of the parties. If interest is held for the benefit of the parties, it shall be paid to the party entitled to the Downpayment and the party receiving the interest shall pay any income taxes thereon. If interest is not held for the benefit of the parties, the Downpayment shall be placed in an IOLA account or as otherwise permitted or required by law. The Social Security or Federal Identification numbers of the parties shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Escrowee to Seller. If for any reason Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of

objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.

(d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.

(e) Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(f) The party whose attorney is Escrowee shall be liable for loss of the Downpayment.

7. Acceptable Funds. All money payable under this contract, unless otherwise specified, shall be paid by:

- (a) Cash, but not over \$1,000.00;
- (b) Good certified check of Purchaser drawn on or official check issued by a New York bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;
- (c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of \$250.00; and
- (d) As otherwise agreed to in writing by Seller or Seller's attorney.

8. Mortgage Commitment Contingency. ~~(Delete paragraph if inapplicable. For explanation, see Note on Mortgage Commitment Contingency Clause.)~~

(a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before 30 days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of \$ 391,500.00 for a term of at least 30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(c) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.

(b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

(c) ~~(Delete this subparagraph if inapplicable.)~~ Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 8.

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 8.

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser and except as set forth in paragraph 27.

(g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.

(i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

9. **Permitted Exceptions.** The Premises are sold and shall be conveyed subject to:

- (a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;
- (b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;
- (c) Encroachments of stoops, arcas, cellar steps, trim and cornices, if any, upon any street or highway;
- (d) Real estate taxes that are a lien, but are not yet due and payable; and
- (e) The other matters, if any, including a survey exception, set forth in a Rider attached.

10. **Governmental Violations and Orders.** (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters.

~~(b) (Delete if inapplicable) All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing.~~

11. **Seller's Representations.** (a) Seller represents and warrants to Purchaser that:

- (i) The Premises abut or have a right of access to a public road;
- (ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;
- (iii) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");
- (iv) The Premises are not affected by any exemptions or abatements of taxes; and
- (v) Seller has been known by no other name for the past ten years, except

(b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.

(c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.

12. **Condition of Property.** Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing (except as otherwise set forth in paragraph 16(c)), without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.

13. **Insurable Title.** Seller shall give and Purchaser shall accept such title as any reputable title insurance or abstract company licensed to do business in the state of New York shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.

14. **Closing, Deed and Title.** (a) "Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a bargain and sale with covenant against grantor's acts deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law.

~~(b) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.~~

15. **Closing Date and Place.** Closing shall take place at the office of Seller's attorney

at 10AM o'clock on or about September 15, 2005 or, upon reasonable notice (by telephone or otherwise) by Purchaser, at the office of lender's attorney

16. **Conditions to Closing.** This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:

(a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.

(b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a single family dwelling at the date of Closing.

(c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by FIRPTA, or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.

(d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.

(e) All plumbing (including water supply and septic systems, if any); heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.

(f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

(g) The delivery by the parties of any other affidavits required as a condition of recording the deed.

17. **Deed Transfer and Recording Taxes.** At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. **Apportionments and Other Adjustments; Water Meter and Installment Assessments.** (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:

(i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) ~~rent charges; (vi) rents as and when collected.~~ (iii) Apple Knoll Estates \$100 per quarter maintenance fee

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.

(c) ~~If there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.~~

(d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.

(e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.

19. **Allowance for Unpaid Taxes, etc.** Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.

20. **Use of Purchase Price to Remove Encumbrances.** If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

21. **Title Examination; Seller's Inability to Convey; Limitations of Liability.** (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b)(i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) If Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.

(c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaser for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating the existing survey of the Premises or of a new survey; and (ii) the obligations under paragraph 27 shall survive the termination of this contract.

22. Affidavit as to Judgments, Bankruptcies, etc. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.

23. Defaults and Remedies. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

(b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.

24. Purchaser's Lien. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.

25. Notices. Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail, postage prepaid, or

(b) delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same; except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or

(c) with respect to ¶7(b) or ¶20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.

26. No Assignment. This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.

27. Broker. Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty (listing broker).

("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.

28. Miscellaneous. (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.

(b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.

(c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.

(d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.

(e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

- (f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.
- (g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.
- (h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.
- (i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint hazards is attached hereto and made a part hereof.

IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.

Ronald J. Cohen
 Ronald J. Cohen, Seller

105-07-0315
 Social Security No./Fed. I.D. No.

Ann Cohen
 Ann E. Cohen, Seller

121-58-0301
 Social Security No./Fed. I.D. No.

Darrick Grimes
 Darrick Grimes, Purchaser

133-84-3057
 Social Security No./Fed. I.D. No.

Yolanda Grimes
 Yolanda Grimes, Purchaser

111-56-6446
 Social Security No./Fed. I.D. No.

Attorney for Seller:
 Cohen, Estis & Associates, LLP
 Address: 40 Matthews Street
 Goshen, New York 10924
 Tel.: (845) 291-1900 Fax: (845) 291-0861

Attorney for Purchaser: Mark Marmer, Esq.
 Debevoise & Plimpton LLC
 Address: 919 3rd Avenue
 New York, New York 10022
 Tel.: (212) 909-7211 Fax: (212) 909-6386

Receipt of the Downpayment is acknowledged and the undersigned agrees to act in accordance with the provisions of paragraph 6.

Cohen, Estis & Associates, LLP

Underwriter No. 8711048097

Title Number 0211040653

Schedule A Description

Page 1

ALL that certain plot, place or parcel of land situate lying and being in the Town of Newburgh, County of Orange and State of New York, being designated as Lot No. 11 on a map entitled "Subdivision Plan Lands of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map No. 7681, being more particularly bounded and described as follows:

Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot No. 12, of the above mentioned filed map, on the east and the lot No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301.17 feet to a point on the division line between Lot No. 10, of the above mentioned filed map, on the west and Lot No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

Insure

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (Initial)

- ☐ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- ☐ (b) Records and reports available to the seller (check one below):
☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (Initial)

- ☐ (c) Purchaser has received copies of all information listed above.
☐ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
☐ (e) Purchaser has (check one below):
☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (Initial)

- ☐ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Ronald Cohen
 Seller Ronald J. Cohen Date

Ann Eve Cohen
 Seller Ann Eve Cohen Date

Agent Date

Darrick Grimes
 Purchaser Darrick Grimes Date

Agent Date

Yolanda Grimes
 Purchaser Yolanda Grimes Date

EXHIBIT "A"

THE NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION
155 E. 42ND STREET
NEW YORK 17, N.Y.

[illegible]

at 6 Parkway Court, 496. 1317, Oakfield, New York 10941

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Myself and Mother, 1891

XIII. POWERS & COMPANY LIMITED

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(11) a letter addressed to the President of the United States, dated and captioned as above, and placed on the President's desk, and

the location of said location is to be placed at intervals of not more than 100 feet.

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— 2 —

一、二、三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

position described in the above paragraph.

[illegible]

SELLER'S RIDER TO CONTRACT

RONALD J. COHEN and ANN EVE COHEN
TO
DARRICK GRIMES and YOLANDA GRIMES

1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, ESTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such rescission pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable.

4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

7. CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

8. ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed hereto shall constitute acceptance of the terms of this rider.

9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assign of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

10 CONTRACT TERMINATION

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Doce, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller elects to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser, at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

15. INSPECTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or hazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

19. LENDING INSTITUTION IN ANOTHER COUNTY

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at

closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westchester County, the additional sum is \$300.00.

20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contract list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100th day of this contract, otherwise Seller has the right to either (a) terminate Purchaser's rights under this contract ; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable;
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
- c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

- f. Any state of facts a personal inspection of the premises would disclose.
- g. Public utility easements of record, if any.

23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/ Social Security Number is as follows:

Seller: Don Cohen

Purchaser: Daniel Gunes

Seller: Ann Cohen

Purchaser: Yolanda Gunes

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than August 1, 2005, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the

of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

The fee(s) assed by the homeowners association Apple Knoll Estates is \$100.00 per quarter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers (i) taxes on the private road - all up to date (ii) insurance and (iii) maintenance.

27. PROPERTY DISCLOSURE FORM

Seller has completed and the form is annexed hereto.

28. TITLE COMPANY

Purchaser shall use Feldman- Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.


RONALD J. COHEN


DARRICK GRIMES


ANN EVE COHEN


YOLANDA GRIMES

Property Condition Disclosure Statement

Name of Seller or Sellers: Ronald J. Cohen and Ann Eve Cohen

Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

Instructions to the Seller:

- Answer all questions based upon your actual knowledge.
- Attach additional pages with your signature if additional space is required.
- Complete this form yourself.
- If some items do not apply to your property; check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

General Information

- How long have you owned the property? 1987 New at the time
- How long have you occupied the property? 1987
- What is the age of the structure or structures? 1987 House
Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.
- Does anybody other than yourself have a lease, easement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to use a road or path or cut trees or crops?
 Yes ☒ No ☐ Unkn NA (If yes, explain below.)
- Does anybody else claim to own any part of your property?
 Yes ☒ No ☐ Unkn NA (If yes, explain below.)

6. Has anyone denied you access to the property or made a formal legal claim challenging your title to the property? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
7. Are there any features of the property shared in common with adjoining land owners or a homeowners association, such as walls, fences or driveways? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, describe below.) *Stacy Lee Drive Private Road*
8. Are there any electric or gas utility surcharges for line extensions, special assessments or homeowner or other association fees that apply to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, explain below.)
9. Are there certificates of occupancy related to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If no, explain below.) *100 per quarter to Apple Knoll Estates.*

Environmental

Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the property located in a designated floodplain? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
11. Is any or all of the property located in a designated wetland? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
12. Is the property located in an agricultural district? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
13. Was the property ever the site of a landfill? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
14. Are there or have there ever been fuel storage tanks above or below the ground on the property? ☒ Yes ☐ No ☐ Unkn ☐ NA *Oil tank*
- If yes, are they currently in use? ☒ Yes ☐ No ☐ Unkn ☐ NA

Location(s) _____

Are they leaking or have they ever leaked?

- Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
15. Is there asbestos in the structure? Yes ☒ No ☐ Unkn ☐ NA (If yes, state location or locations below.)
16. Is lead plumbing present? Yes ☒ No ☐ Unkn ☐ NA (If yes, state location or locations below.)
17. Has a radon test been done? Yes ☒ No ☐ Unkn ☐ NA (If yes, attach a copy of the report.)
18. Has motor fuel, motor oil, home heating fuel, lubricating oil or any other petroleum product, methane gas, or any hazardous or toxic substance spilled, leaked or otherwise been released on the property or from the property onto any other property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, describe below.)

Are there any known material defects in any of the following (If yes, explain below. Use additional sheets if necessary.):

32. Plumbing System?	Yes	<input checked="" type="radio"/> No	Unkn	NA
33. Security System?	Yes	<input checked="" type="radio"/> No	Unkn	NA
34. Carbon Monoxide Detector?	Yes	<input checked="" type="radio"/> No	Unkn	NA
35. Smoke Detector?	Yes	<input checked="" type="radio"/> No	Unkn	NA
36. Fire Sprinkler System?	Yes	<input checked="" type="radio"/> No	Unkn	NA
37. Sump Pump?	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No	Unkn	NA
38. Foundation/Slab?	Yes	<input checked="" type="radio"/> No	Unkn	NA
39. Interior Walls/Ceilings?	Yes	<input checked="" type="radio"/> No	Unkn	NA
40. Exterior Walls Or Siding?	Yes	<input checked="" type="radio"/> No	Unkn	NA
41. Floors?	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No	Unkn	NA
42. Chimney/Fireplace or Stove?	Yes	<input checked="" type="radio"/> No	Unkn	NA
43. Patio/Deck?	Yes	<input checked="" type="radio"/> No	Unkn	NA
44. Driveway?	Yes	<input checked="" type="radio"/> No	Unkn	NA
45. Air Conditioner?	Yes	<input checked="" type="radio"/> No	Unkn	NA
46. Heating System?	Yes	<input checked="" type="radio"/> No	Unkn	NA
47. Hot Water Heater?	Yes	<input checked="" type="radio"/> No	Unkn	NA
48. The Property is located in the following School District:	Newburgh Unkn			

Some tiles cracked

Note: Buyer is encouraged to check public records concerning the property (e.g. tax records and wetland and flood plain maps.)

The seller should use this area to further explain any item above. If necessary, attach additional pages and indicate here the number of additional pages attached.

Seller's Certification: Seller certifies that the information in this property condition disclosure statement is true and complete to the seller's actual knowledge as of the date signed by the seller. If a seller of residential real property acquires knowledge which renders materially inaccurate a property condition disclosure statement provided previously, the seller shall deliver a revised property condition disclosure statement to the buyer as soon as practicable. In no event, however, shall a seller be required to provide a revised property condition disclosure statement after the transfer of title from the seller to the buyer or occupancy by the buyer, whichever is earlier.

Seller Ann E. Cohen

Date 7/14/05

Seller [Signature]

Date 7/14/05

Buyer's Acknowledgment: Buyer acknowledges receipt of a copy of this statement and buyer understands that this information is a statement of certain conditions and information concerning the property known to the seller. It is not a warranty of any kind by the seller or seller's agent and is not a substitute for any home, pest, radon or other inspections or testing of the property or inspection of the public records.

Buyer Danell G. Garris

Date 7/15/05

Buyer Yolanda Harris

Date 7/15/05

ADDITIONAL RIDER TO CONTRACT OF SALE
23 Stacy Lee Drive
Newburgh, NY

1. The terms of this Additional Rider shall prevail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.
2. Seller makes the following additional representations and covenants:
 - (a) The underground oil tank has never leaked or been damaged.
 - (b) All work and alterations to the Premises have been performed in accordance with applicable law,
 - (c) Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
 - (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
 - (e) At closing, (i) the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be included in this sale.
3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.
4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.
5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the inability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller delivered within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later than the date of Purchaser's notice to proceed.

6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged prior to closing.

7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.

8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.

9. Paragraph 28 of the Rider is deleted in its entirety.

10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the ____ day of July, 2005

SELLERS:

Don Cohn

Ann Cohn

PURCHASERS:

Daniel G. Gunes

Yolanda Gunes

Exhibit C - Part 2

AMENDMENT TO CONTRACT OF SALE


This Amendment dated as of September 14, 2005 (this "Amendment") amending that certain Contract of Sale dated as of August 12, 2005 (the "Contract") between Ronald J. Cohen and Ann Eve Cohen ("Sellers") and Darrick Grimes and Yolanda Grimes ("Purchasers")

THE PARTIES AGREE AS FOLLOWS

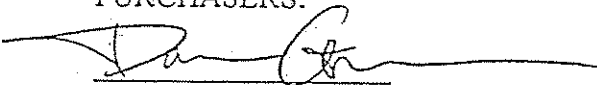
1. Paragraph 3 is amended to increase the Purchase Price to \$450,000.00
2. At closing, Seller shall credit Purchaser the sum of \$13,500, as Seller's contribution toward Purchaser's closing costs.

SELLERS:


RONALD J. COHEN


ANN EVE COHEN

PURCHASERS:


DARRICK GRIMES


YOLANDA GRIMES

RESIDENTIAL CONTRACT OF SALE

Jointly Prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association. (11/00)

CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other casualty loss or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real estate complies with Section 5-702 of the General Obligations Law ("Plain Language").

CONTRACT OF SALE made as of

between

Ronald J. Cohen and Ann Eve Cohen, husband and wife

Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Security Number/Fed. I. D. No(s):

hereinafter called "Seller" and

Darrick Grimes and Yolanda Grimes, husband and wife

Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. No(s):

hereinafter called "Purchaser."

The parties hereby agree as follows:

1. **Premises.** Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part hereof and also known as:

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Tax Map Designation: Section 106, Block 2, Lot(s) 4.2, Town of Newburgh, Orange County

together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, ~~*opened or proposed, adjoining the Premises to the center line thereof,~~ including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

attached

2. **Personal Property.** This sale also includes all fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV aerials, weather vane, flagpole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built-in microwave oven, refrigerator, freezer, air conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below. ~~(strike out inapplicable items):~~

central vacuum, ceiling fan, cook top, compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool filter, pool cover.

~~Excluded from this sale are furniture and household furnishings and~~

* and Stacy Lee Drive private road and interest therein

3. **Purchase Price.** The purchase price is \$ 435,000.00 payable as follows:

(a) on the signing of this contract, by Purchaser's good check payable to the Escrowee (as hereinafter defined), subject to collection, the receipt of which is hereby acknowledged, to be held in escrow pursuant to paragraph 6 of this contract (the "Downpayment"):

(b) ~~by allowance for the principal amount unpaid on the existing mortgage on the date hereof, payment of which Purchaser shall assume by joinder in the deed:~~ \$ 20,000.00

(c) ~~by a purchase money note and mortgage from Purchaser to Seller:~~ \$

(d) balance at Closing in accordance with paragraph 7: \$ 415,000.00

4. **Existing Mortgage.** ~~(Delete if inapplicable)~~ If this sale is subject to an existing mortgage as indicated in paragraph 3(b) above:

(a) The Premises shall be conveyed subject to the continuing lien of the existing mortgage, which is presently payable, with interest at the rate of _____ percent per annum, in monthly installments of \$ _____ which include principal, interest and escrow amounts, if any, and with any balance of principal being due and payable on _____

(b) To the extent that any required payments are made on the existing mortgage between the date hereof and Closing which reduce the unpaid principal amount thereof below the amount shown in paragraph 3(b), then the balance of the price payable at Closing under paragraph 3(d) shall be increased by the amount of the payments of principal. Seller represents and warrants that the amount shown in paragraph 3(b) is substantially correct and agrees that only payments required by the existing mortgage will be made between the date hereof and Closing.

(c) If there is a mortgagee escrow account, Seller shall assign it to Purchaser, if it can be assigned, and in that case Purchaser shall pay the amount in the escrow account to Seller at Closing.

(d) Seller shall deliver to Purchaser at Closing a certificate dated not more than 30 days before Closing signed by the holder of the existing mortgage, in form for recording, certifying the amount of the unpaid principal, the date to which interest has been paid and the amounts, if any, claimed to be unpaid for principal and interest, itemizing the same. Seller shall pay the fees for recording such certificate. If the holder of the existing mortgage is a bank or other institution as defined in Section 274-a of the Real Property Law it may, instead of the certificate, furnish a letter signed by a duly authorized officer, employee or agent, dated not more than 30 days before Closing, containing the same information.

(e) Seller represents and warrants that (i) Seller has delivered to Purchaser true and complete copies of the existing mortgage, the note secured thereby and any extensions and modifications thereof, (ii) the existing mortgage is not now, and at the time of Closing will not be, in default, and (iii) the existing mortgage does not contain any provision that permits the holder of the mortgage to require its immediate payment in full or to change any other term thereof by reason of the sale or conveyance of the Premises.

5. **Purchase Money Mortgage.** ~~(Delete if inapplicable)~~ If there is to be a purchase money mortgage as indicated in paragraph 3(c) above:

(a) The purchase money note and mortgage shall be drawn by the attorney for Seller in the form attached or, if not, in the standard form adopted by the New York State Land Title Association. Purchaser shall pay at Closing the mortgage recording tax, recording fees and the attorney's fees in the amount of \$ _____ for its preparation.

(b) The purchase money note and mortgage shall also provide that it is subject and subordinate to the lien of the existing mortgage and any extensions, modifications, replacements or consolidations of the existing mortgage, provided that (i) the interest rate thereof shall not be greater than _____ percent per annum and the total debt service thereunder shall not be greater than \$ _____ per annum, and (ii) if the principal amount thereof shall exceed the amount of principal owing and unpaid on the existing mortgage at the time of placing such new mortgage or consolidated mortgage, the excess be paid to the holder of such purchase money mortgage in reduction of the principal thereof. The purchase money mortgage shall also provide that such payment to the holder thereof shall not alter or affect the regular installments, if any, of principal payable thereunder and that the holder thereof will, on demand and without charge therefor, execute, acknowledge and deliver any agreement or agreements further to effectuate such subordination.

6. **Downpayment in Escrow.** (a) Seller's attorney ("Escrowee") shall hold the Downpayment in escrow in a segregated bank account at **The Bank of New York**

Address: **225 Main Street, Goshen, New York 10924**

until Closing or sooner termination of this contract and shall pay over or apply the Downpayment in accordance with the terms of this paragraph. Escrowee shall hold the Downpayment in a(n) **non** interest-bearing account for the benefit of the parties. If interest is held for the benefit of the parties, it shall be paid to the party entitled to the Downpayment and the party receiving the interest shall pay any income taxes thereon. If interest is not held for the benefit of the parties, the Downpayment shall be placed in an IOLA account or as otherwise permitted or required by law. The Social Security or Federal Identification numbers of the parties shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Escrowee to Seller. If for any reason Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of

objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.

(d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.

(e) Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(f) The party whose attorney is Escrowee shall be liable for loss of the Downpayment.

7. **Acceptable Funds.** All money payable under this contract, unless otherwise specified, shall be paid by:

(a) Cash, but not over \$1,000.00;

(b) Good certified check of Purchaser drawn on or official check issued by ^{a New York} ~~any~~ bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;

(c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of \$50.00; and

(d) As otherwise agreed to in writing by Seller or Seller's attorney.

8. **Mortgage Commitment Contingency.** ~~(Delete paragraph if inapplicable. For explanation, see Notes on Mortgage Commitment Contingency Clause.)~~

(a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before 30 days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of \$ 391,500.00 for a term of at least 30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.

(b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

(c) ~~(Delete this subparagraph if inapplicable)~~ Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 8.

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 8.

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser and except as set forth in paragraph 27.

(g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.

(i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on third business day following the date of ordinary or regular mailing, postage prepaid.

9. Permitted Exceptions. The Premises are sold and shall be conveyed subject to:

- (a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;
- (b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;
- (c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;
- (d) Real estate taxes that are a lien, but are not yet due and payable; and
- (e) The other matters, if any, including a survey exception, set forth in a Rider attached.

10. Governmental Violations and Orders. (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters.

~~(b) (Delete if inapplicable) All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing.~~

11. Seller's Representations. (a) Seller represents and warrants to Purchaser that:

- (i) The Premises abut or have a right of access to a public road;
- (ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;
- (iii) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");
- (iv) The Premises are not affected by any exemptions or abatements of taxes; and
- (v) Seller has been known by no other name for the past ten years, except

(b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.

(c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.

12. Condition of Property. Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing (except as otherwise set forth in paragraph 16(c)); without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.

13. Insurable Title. Seller shall give and Purchaser shall accept such title as **any reputable title insurance or abstract company licensed to do business in the state of New York** shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.

14. Closing, Deed and Title. (a) "Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a **bargain and sale with covenant against grantor's acts** deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law.

~~(b) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.~~

15. Closing Date and Place. Closing shall take place at the office of **Seller's attorney**

at **10AM** o'clock on **or about September 15, 2005** or, upon reasonable notice (by telephone or otherwise) by Purchaser, at the office of **lender's attorney**

16. Conditions to Closing. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:

(a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.

(b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a **single** family dwelling at the date of Closing.

(c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by FIRPTA, or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.

(d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.

(e) All plumbing (including water supply and septic systems, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.

(f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

(g) The delivery by the parties of any other affidavits required as a condition of recording the deed.

17. Deed Transfer and Recording Taxes. At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. Apportionments and Other Adjustments; Water Meter and Installment Assessments. (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:

(i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; ~~(iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) vault charges; (vi) rents as and when collected.~~ (iii) Apple Knoll Estates \$100 per quarter maintenance fee

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.

~~(c) If there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.~~

(d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.

(e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.

19. Allowance for Unpaid Taxes, etc. Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.

20. Use of Purchase Price to Remove Encumbrances. If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

21. Title Examination; Seller's Inability to Convey; Limitations of Liability. (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b)(i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.

(c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaser, for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating the existing survey of the Premises or of a new survey, and (ii) the obligations under paragraph 27 shall survive the termination of the contract.

22. Affidavit as to Judgments, Bankruptcies, etc. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.

23. Defaults and Remedies. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

(b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.

24. Purchaser's Lien. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.

25. Notices. Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail, postage prepaid, or

(b) delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or

(c) with respect to ¶7(b) or ¶20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.

26. No Assignment. This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.

27. Broker. Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty (listing broker) ("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.

28. Miscellaneous. (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.

(b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.

(c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.

(d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.

(e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

(f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.

(g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.

(h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

(i) If applicable, the complete and fully executed disclosure of information on **lead-based paint** and/or lead-based paint hazards is attached hereto and made a part hereof.

IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.

Ronald J. Cohen, Seller

Darrick Grimes, Purchaser

Social Security No./Fed. I.D. No.

Social Security No./Fed. I.D. No.

Ann Eve Cohen, Seller

Yolanda Grimes, Purchaser

Social Security No./Fed. I.D. No.

Social Security No./Fed. I.D. No.

Attorney for Seller:

Cohen, Estis & Associates, LLP

Address: 40 Matthews Street

Goshen, New York 10924

Tel.: (845) 291-1900

Fax: (845) 291-0861

Attorney for Purchaser: Mark Marmer, Esq.

Debevoise & Plimpton LLC

Address: 919 3rd Avenue

New York, New York 10022

Tel.: (212) 909-7211

Fax: (212) 909-6386

Receipt of the Downpayment is acknowledged and the undersigned agrees to act in accordance with the provisions of paragraph 6.

Cohen, Estis & Associates, LLP

Schedule A Description

Recorder No. 8711048097

File Number 0211040653

Page 1

ALL that certain plot, piece or parcel of land situate lying and being in the Town of Newburgh, County of Orange and State of New York, being designated as Lot No. 11 on a map entitled "Subdivision Plan Lands of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map No. 7681, being more particularly bounded and described as follows:

Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot No. 12, of the above mentioned filed map, on the east and the lot No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301.17 feet to a point on the division line between Lot No. 10, of the above mentioned filed map, on the west and Lot No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

Insure

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

- _____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
 [] Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

 [] Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
 _____ (b) Records and reports available to the seller (check one below):
 [] Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

 [] Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- _____ (c) Purchaser has received copies of all information listed above.
 _____ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
 _____ (e) Purchaser has (check one below):
 [] Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 [] Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- _____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

 Seller **Ronald J. Cohen** Date

 Seller **Ann Eve Cohen** Date

 Agent Date

 Agent Date

 Purchaser **Darrick Grimes** Date

 Purchaser **Yolanda Grimes** Date

EXHIBIT "A"

Tax Map #106-2-4.2

THIS INSTRUMENT, made this 11th day of January, 1986, between ARLE KNOLL ESTATE, a partnership with offices at R. D. 1, box 4160, Haledon, New York 12356

party of the first part and RONALD J. COHEN & ANN EYE COHEN, husband and wife, residing at 6 Danbury Court, Apt. 1312, Suffern, New York 10901

party of the second part,

WITNESSETH, that the party of the first part, in consideration of TEN AND NO/100

(\$10.00)

lawful money of the United States, and other good and valuable consideration

by the party of the second part, does hereby grant and make unto the party of the first part, the heirs or

successors and assigns of the party of the second part forever,

All that certain plot, piece or parcel of land, with the buildings and improvements thereon, situate, being and lying in the

SEE SCHEDULE "A" ANNEXED HERETO.

3/2

All that piece or parcel of land situate, lying and being in the Town of Haledon, County of Orange, State of New York, being designated as lot 111 on a map entitled "subdivision plat, plans of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map 17681, being more particularly bounded and described as follows:

Beginning at a point in the southeasterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being N67°-37' W 440.00 feet from the intersection of the said southeasterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between lot 112, of the above mentioned filed map, on the east and the lot 111 herein described, the line 215.12 feet to the north, the division line between the lands now or formerly of Parcel Development Corp. on the south and lot 111 herein described on the north, thence along the last mentioned division line, the last mentioned division line, N72°-40' W 201.17 feet to a point on the division line between lot 110, of the above mentioned filed map, on the west and lot 111 herein described on the east; thence, along the last mentioned division line, N82°-33' E 264.90 feet to a point in the aforementioned southeasterly line of Stacy Lee Drive; thence, along the last mentioned line S67°-37' E 300.00 feet to the point or place of beginning, containing 1.12 acres of land more or less.

TOGETHER with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the undivided map 17681 as well as the right to place utilities under the portion of the premises described in a deed from Parcel Development Corp. to Apple Knoll Estates dated June 26, 1986 and recorded in the Orange County Clerk's Office on July 3, 1986 in Liber 2539 of Deeds at page 190.

SUBJECT to the following restrictive covenants which shall run with the land and be binding forever upon the grantee hereof and his heirs, devisees, executors, administrators, successors and assigns:

1. The premises shall be used exclusively for residential purposes and no part thereof shall be used for any business or other purpose not permitted use as a professional office by a New York State licensed New York professional in the fields of medicine, dentistry, law, engineering, architecture, surveying or accountancy.
2. No more than one single family dwelling and one two car garage, which shall be either attached to the dwelling or connected by a breezeway, may be erected upon the premises. However, in the event that an inground swimming pool or tennis court is constructed upon the premises there shall be permitted a cabana of dimensions no greater than 10 feet x 10 feet to be located on the premises and no less than 50 feet from the premises and no less than 10 feet from the construction of every dwelling and the landscaping of the premises shall be completed within eight months and twelve months respectively from the commencement of such work.
3. The premises shall be kept free and clear of weeds, brush, garbage, rubbish, refuse and other unsightly growth and shall be landscaped and maintained in a neat manner.
4. Garbage and rubbish receptacles: (a) shall not be kept in an area visible from the street, (b) shall be brought to the appropriate pickup location (c) shall be recommended for pickup location on the same day scheduled for pickup (d) shall be removed from the premises promptly.

assessments, restrictions or covenants, it shall be lawful for the

10

There was also given to correct the omission in the aforesaid prior deed of the transfer from the grantor to the grantee of a 1/12 undivided interest in and to the private road known as Stacy Leg Drive.

SELLER'S RIDER TO CONTRACT

**RONALD J. COHEN and ANN EVE COHEN
TO
DARRICK GRIMES and YOLANDA GRIMES**

1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, ESTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such rescission pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable.

4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

7 CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

8 ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed hereto shall constitute acceptance of the terms of this rider.

9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assign of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

10 CONTRACT TERMINATION

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Doce, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller elects to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser, at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

15. INSPECTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or hazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

19. LENDING INSTITUTION IN ANOTHER COUNTY

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at

closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westchester County, the additional sum is \$300.00.

20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contract list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100th day of this contract, otherwise Seller has the right to either (a) terminate Purchasers rights under this contract ; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable;
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
- c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

- f. Any state of facts a personal inspection of the premises would disclose.
- g. Public utility easements of record, if any.

23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/ Social Security Number is as follows:

Seller: _____

Purchaser: _____

Seller: _____

Purchaser: _____

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than **August 1, 2005**, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the

of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

The fee(s) assed by the homeowners association Apple Knoll Estates is \$100.00 per quarter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers(i) taxes on the private road - all up to date (ii) insurance and (iii) maintenance.

27. PROPERTY DISCLOSURE FORM

Seller has completed and the form is annexed hereto.

28. TITLE COMPANY

Purchaser shall use Feldman- Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.

RONALD J. COHEN

DARRICK GRIMES

ANN EVE COHEN

YOLANDA GRIMES

Property Condition Disclosure Statement

Name of Seller or Sellers: Ronald J. Cohen and Ann Eve Cohen
 Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

Instructions to the Seller:

- Answer all questions based upon your actual knowledge.
- Attach additional pages with your signature if additional space is required.
- Complete this form yourself.
- If some items do not apply to your property, check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

General Information

- How long have you owned the property? 1987 New at the time
- How long have you occupied the property? 1987
- What is the age of the structure or structures? 1987 House

Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.

- Does anybody other than yourself have a lease, easement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to use a road or path or cut trees or crops?
 Yes ☐ No ☒ Unkn NA (If yes, explain below.)
- Does anybody else claim to own any part of your property?
 Yes ☐ No ☒ Unkn NA (If yes, explain below.)

6. Has anyone denied you access to the property or made a formal legal claim challenging your title to the property? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
7. Are there any features of the property shared in common with adjoining land owners or a homeowners association, such as walls, fences or driveways? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, describe below.) *Stacy Lee Drive Private Road*
8. Are there any electric or gas utility surcharges for line extensions, special assessments or homeowner or other association fees that apply to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If yes, explain below.) *100 per quarter*
9. Are there certificates of occupancy related to the property? ☒ Yes ☐ No ☐ Unkn ☐ NA (If no, explain below.) *40 Apple Knoll Estate.*

Environmental

Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the property located in a designated floodplain? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
11. Is any or all of the property located in a designated wetland? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
12. Is the property located in an agricultural district? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
13. Was the property ever the site of a landfill? Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
14. Are there or have there ever been fuel storage tanks above or below the ground on the property? ☒ Yes ☐ No ☐ Unkn ☐ NA *Oil Tank*
- If yes, are they currently in use?
- Yes ☐ No ☐ Unkn ☐ NA

Location(s) _____

Are they leaking or have they ever leaked?

- Yes ☒ No ☐ Unkn ☐ NA (If yes, explain below.)
15. Is there asbestos in the structure? Yes ☒ No ☐ Unkn ☐ NA (If yes, state location or locations below.)
16. Is lead plumbing present? Yes ☒ No ☐ Unkn ☐ NA (If yes, state location or locations below.)
17. Has a radon test been done? Yes ☒ No ☐ Unkn ☐ NA (If yes, attach a copy of the report.)
18. Has motor fuel, motor oil, home heating fuel, lubricating oil or any other petroleum product, methane gas, or any hazardous or toxic substance spilled, leaked or otherwise been released on the property or from the property onto any other property? Yes ☒ No ☐ Unkn ☐ NA (If yes, describe below.)

Are there any known material defects in any of the following (If yes, explain below. Use additional sheets if necessary.):

32. Plumbing System?	Yes	<u>No</u>	Unkn	NA
33. Security System?	Yes	<u>No</u>	<u>Unkn</u>	NA
34. Carbon Monoxide Detector?	Yes	<u>No</u>	Unkn	NA
35. Smoke Detector?	Yes	<u>No</u>	Unkn	NA
36. Fire Sprinkler System?	Yes	<u>No</u>	Unkn	NA
37. Sump Pump?	<u>Yes</u>	<u>No</u>	Unkn	NA
38. Foundation/Slab?	Yes	<u>No</u>	Unkn	NA
39. Interior Walls/Ceilings?	Yes	<u>No</u>	Unkn	NA
40. Exterior Walls Or Siding?	Yes	<u>No</u>	Unkn	NA
41. Floors?	<u>Yes</u>	<u>No</u>	Unkn	NA
42. Chimney/Fireplace or Stove?	Yes	<u>No</u>	Unkn	NA
43. Patio/Deck?	Yes	<u>No</u>	Unkn	NA
44. Driveway?	Yes	<u>No</u>	Unkn	NA
45. Air Conditioner?	Yes	<u>No</u>	Unkn	NA
46. Heating System?	Yes	<u>No</u>	Unkn	NA
47. Hot Water Heater?	Yes	<u>No</u>	Unkn	NA
48. The Property is located in the following School District:	<u>Newburgh</u> Unkn			

Some tiles cracked

Note: Buyer is encouraged to check public records concerning the property (e.g. tax records and wetland and flood plain maps.)

The seller should use this area to further explain any item above. If necessary, attach additional pages and indicate here the number of additional pages attached.

Seller's Certification: Seller certifies that the information in this property condition disclosure statement is true and complete to the seller's actual knowledge as of the date signed by the seller. If a seller of residential real property acquires knowledge which renders materially inaccurate a property condition disclosure statement provided previously, the seller shall deliver a revised property condition disclosure statement to the buyer as soon as practicable. In no event, however, shall a seller be required to provide a revised property condition disclosure statement after the transfer of title from the seller to the buyer or occupancy by the buyer, whichever is earlier.

Seller

Ann E. Cohen

Date

7/14/05

Seller

[Signature]

Date

7/14/05

Buyer's Acknowledgment: Buyer acknowledges receipt of a copy of this statement and buyer understands that this information is a statement of certain conditions and information concerning the property known to the seller. It is not a warranty of any kind by the seller or seller's agent and is not a substitute for any home, pest, radon or other inspections or testing of the property or inspection of the public records.

Buyer _____

Date _____

Buyer _____

Date _____

ADDITIONAL RIDER TO CONTRACT OF SALE

**23 Stacy Lee Drive
Newburgh, NY**

1. The terms of this Additional Rider shall prevail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.

2. Seller makes the following additional representations and covenants:

- (a) The underground oil tank has never leaked or been damaged.
- (b) All work and alterations to the Premises have been performed in accordance with applicable law,
- (c) Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
- (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
- (e) At closing, (i) the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be included in this sale.

3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.

4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.

5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the inability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller delivered within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later than the date of Purchaser's notice to proceed.

6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged prior to closing.

7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.

8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.

9. Paragraph 28 of the Rider is deleted in its entirety.

10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the ____ day of July, 2005

SELLERS:

PURCHASERS:

Exhibit D

LOAN TRACKING

CUSTOMER NAME: DARRICK GRIMES
YOLANDA GRIMES
PROPERTY ADDRESS: 23 STACY LEE DR
NEWBURGH, NY 12550

CURRENT STATUS: **BOARDED**
DATE OF ACTION TAKEN: 10/17/05
REASONS FOR DENIAL:

APPLICATION NUMBER: 925000182284
LOAN AMOUNT: 405,000.00
TYPE OF LOAN: WHOLESALE
PURPOSE OF LOAN: Purchase
OCCUPANCY: OWNER OCCUPIED
GROSS ANNUAL INCOME OF APPLICANT(S): 128640

3

HMDA Denial Reason Code:
1. Debt to income ratio
2. Employment history
3. Credit History
4. Collateral
5. Insufficient cash
6. Unverifiable information
7. Credit application incomplete
8. Mortgage insurance denied
9. Other

BORROWER:

Race/National Origin:
☐ American Indian or Alaska Native
☐ Asian
☒ Black or African American
☐ Native Hawaiian or Pacific Islander
☐ Not Provided in mail, internet, or telephone application
☐ White

Ethnicity:

☐ Hispanic or Latino
☒ Not Hispanic or Latino
☐ Not provided in mail, internet, or telephone application

Sex: ☐ Female ☒ Male

CO-BORROWER:

Race/National Origin:
☐ American Indian or Alaska Native
☐ Asian
☒ Black or African American
☐ Native Hawaiian or Pacific Islander
☐ Not Provided in mail, internet, or telephone app
☐ White

Ethnicity:

☐ Hispanic or Latino
☒ Not Hispanic or Latino
☐ Not provided in mail, internet, or telephone application

Sex: ☒ Female ☐ Male

PROCESSING	DATE	TIME
Application Received:	9/16/05	7:48 a.m.
Endlosures Printed:	9/16/05	8:06 a.m.
Underwriting Report Pulled:	9/16/05	7:55 a.m.
Promote to U Stage:	9/16/05	8:39 a.m.
PROCESSOR:	JAMIE HANCOCK	

FUNDING	DATE	TIME
Docs Drawn:	10/12/05	12:32 p.m.
Docs Received:		N/A
Estimated Close:	10/12/05	N/A
Promote to FUND:		
Approval Review Date:	10/17/05	N/A
Date Funded:	10/12/05	10:38 a.m.
RECORDING DATE:		N/A
RECORDING #:		
BOARDING DATE:	10/17/05	N/A
FUNDER:	KRISTA MCCORMICK	

UNDERWRITING	DATE	TIME
Loan Approved:	9/16/05	9:37 a.m.
Loan Denied:		
Counter Offered:	9/16/05	N/A
Counter Accepted:		N/A
Loan Withdrawn:		
Commitment Printed:	9/29/05	3:25 p.m.
Denial Letter Printed:		: :m.
Counter-Offer Ltr Print:	10/11/05	N/A
Flood Zone Ltr Print:		N/A
Promoted to LC Stage:	9/19/05	10:44 a.m.
Promoted to DOCS:	9/29/05	2:51 p.m.
UNDERWRITER:	STEVEN MOLENAAR	

ELAPSED TIME	DAYS	HH:MM
Time in Processing:		0:51 .m.
Time in Underwriting:	2	0:58 .m.
Elapsed Days in System:	25	

Date: 9/16/05
Print Date: 9/16/05
Broker: MCS LENDING LLC

Approval Review Date: 10/16/05

Account Exec.: JEFF PORFIRIO
Application #: 926000182284
Borrowers: DARRICK GRIMES
YOLANDA GRIMES

In: JOHN
Phone: 561-864-2401 Fax: 561-864-2801
Status: Approved ☒
Modified ☒

Property Address: 23 STACEY LEE DR
NEWBURGH, NY 12550

Reason for Modification: APPROVED AS COUNTERED

Program: A-XP 2/28 FULL DOC 30/30 1ST
Loan Amount: \$ 405,000.00
Index: 6 MONTH LIBOR Margin: 5.6737 %
1st Rate Change/Cap: 24 months 2.0000 %
Regular Rate Change/Cap: 6 months 1.5000 %
Prepayment Penalty Term: 0 Years Window? NO

CREDIT SCORE
578

Property Type: 1 FAMILY
Occupancy: OWNER OCCUPIED
Loan Purpose: PURCHASE 1-4 UNITS
LTV: 90.000 %
Monthly P&I payment: \$ 3,099.76
IMPOUNDS (Escrows) REQUIRED- NO

Rebate to Broker: 1.500 %
Points (Discount) to FIL: %

LOAN CONDITIONS

PRE-DOC Conditions

1. AAR REVIEW APPRAISAL, APPROVED BY LENDER, TO SUPPORT A VALUE OF \$ 450,000.00
2. EVIDENCE OF INSURANCE (COMPANY RATED B OR BETTER IN BEST GUIDE) NAMING:
FREMONT INVESTMENT & LOAN
3. A 2 ORIG APPR'LS, 1003'S, & DISCLOSURES READ
4. U HUD 1A FROM RECENT REFINANCE (PRIOR MTG SHOWING 2X30) GRADE SUB TOO
5. U SIGNED RENTAL AGREEMENTS.
6. A VERBAL EMPLOYMENT VERIFICATION BY FIL.
7. U FULLY EXECUTED PURCHASE AGREEMENT, ONLY AMENDMENT EXECUTED.
8. A [REDACTED]
9. AAR COPY OF ORIGINAL APPRSL INVOICE SHOWING ACTUAL COST OF APPRAISAL
10. SEE ATTACHED APPRAISAL CONDITIONS.
11. [REDACTED]
12. FINAL TITLE POLICY TO BE PROVIDED BY FIL APPROVED

Downgrade to A-

CLOSING Conditions

1. ORIGINAL, TYPED CORRECTED 1003 APPL, SIGNED & DATED BY BORROWER & INTRVWR
2. VERIFICATION LENDER WILL BE IN 1ST LIEN POSITION
3. FIL 1ST & 2ND TO CLOSE CONCURRENTLY.
4. CORRECTED MARKED-UP FINAL TITLE POLICY
5. CERTIFIED FUNDS FROM BORROWER THAT MATCH ASSETS LISTED ON 1003.
6. 6% MAX SELLER PAID CONCESSIONS.

If you have any questions, or request any changes, please contact your Account Manager
SHENELLE DANIEL at 813-426-1706. Our fax number is 813-901-7631.

Underwriter: [Signature]
Signed STEVEN MELENAAR

* Terms Subject to Change

XSS-11/18/2005

FREMONT INVESTMENT & LOAN
CONDITIONAL COUNTER ORDER

Date: 9/16/05
 Print Date: 9/29/05
 Broker: WGS LENDING LLC

Approval Review Date: 10/16/05

Account Exec.: JEFF PONFIRIO
 Application #: 826000182284
 Borrowers: DARRICK BRINES
 YOLANDA BRINES

Alt: JOHN
 Phone: 551-854-2401 Fax: 551-854-2801
 Status: Approved ☒
 Modified ☒

Property Address: 23 STACEY LEE DR
 NEWBURGH, NY 12950

Reason for Modification: APPROVED AS COUNTERED

Program: A-KP 2/28 FULL DOC 30/30 1ST 578
 Loan Amount: \$ 405,000.00 Start Rate/Floor: 8.45%
 Index: 6 MONTH LIBOR Margin: 8.6737% Ceiling: 14.4500%
 1st Rate Change/Cap: 24 months 2.0000%
 Regular Rate Change/Cap: 8 months 1.3000%
 Prepayment Penalty Term: 0 Years Window: NO

Property Type: 1 FAMILY
 Occupancy: OWNER OCCUPIED
 Loan Purpose: PURCHASE 1-4 UNITS
 LTV: 80.000 %
 Monthly P&I payment: \$ 3,889.78
 IMPOUNDS (Escrows) REQUIRED: NO
 Rebate to Broker: 1.300 %
 Points (Discount) to FIL: %

LOAN CONDITIONSPRE-DOC Conditions

1. AAR REVIEW APPRAISAL, APPROVED BY LENDER, TO SUPPORT A VALUE OF \$ 450,000.00
2. EVIDENCE OF INSURANCE (COMPANY RATED B OR BETTER IN BEST GUIDE) NAMING:
 FREMONT INVESTMENT & LOAN
3. A SXD 2 DRY APPR'LS, 1003'S, & DISCLOSURES REQD.
4. U AAR HUD 1A FROM RECENT REFINANCE (PRIOR MTB SHOWING 2X30) GRADE SUB TOO
5. U AAR SIGNED RENTAL AGREEMENTS.
6. A SXD VERBAL EMPLOYMENT VERIFICATION BY FIL.
7. U AAR FULLY EXECUTED PURCHASE AGREEMENT. ONLY AMENDMENT EXECUTED.
8. A SXD PRELIMINARY TITLE POLICY, ED, ALTA 8.1, 9/SURVEY AND PEST
8. AAR COPY OF ORIGINAL APRSL INVOICE SHOWING ACTUAL COST OF APPRAISAL
10. SEE ATTACHED APPRAISAL CONDITIONS.
11. TAX CERTIFICATION REQUIRED PRIOR TO DRAWING OF LOAN DOCS.

CLOSING Conditions

1. ORIGINAL, TYPED CORRECTED 1003 APPL, SIGNED & DATED BY BORROWER & INTRVWR
2. VERIFICATION LENDER WILL BE IN 1ST LIEN POSITION
3. FIL 1ST & 2ND TO CLOSE CONCURRENTLY.
4. CORRECTED MARKED-UP FINAL TITLE POLICY
5. CERTIFIED FUNDS FROM BORROWER THAT MATCH ASSETS LISTED ON 1003.
6. 5% MAX SELLER PAID CONCESSIONS.

If you have any questions, or request any changes, please contact your Account Manager
 SHENELE DANIEL at 813-426-1706. Our fax number is 813-401-7691.

Underwriter:

Signed: STEVEN MOLENAAR

* Terms Subject to Change

WCOMMTA REV. 03/02/04 TQ

Page 1 of 2



QDA-11/18/2006

FREMONT INVESTMENT & LOAN
CONDITIONAL LOAN APPROVAL

Date: 8/18/05
Print Date: 9/29/05
Approval Review Date: 10/16/05
Account Exec.: JEFF PORFIRIO
Application #: 825000182944
Borrowers: DARRICK GRIMES
YOLANDA GRIMES

Broker: WGS LENDING LLC
Attn: JOHN
Phone: 581-884-2401 Fax: 661-864-2801

Status: Approved ☒
Modified: ☐

Property Address: 23 STACEY LEE DR
NEWBURGH, NY 12550

Reason for Modification: APPROVED AS COUNTERED

Program: A-XP FIXED FULL DOC 15/15 2ND
Loan Amount: \$ 22,500.00
Start Rate: 12.4900

CREDIT SCORE
578

Property Type: 1 FAMILY
Occupancy: OWNER OCCUPIED
Loan Purpose: PURCHASE 1-4 UNITS
LTV: 85.000 %
Monthly P&I payment: \$ 277.18
IMPOUNDS (Escrows) REQUIRED - NO
Rebate to Broker: N/A %
Points (Discount) to FIL: N/A %

Prepayment Penalty Term: 1 Years Window? NO

LOAN CONDITIONSPRE-DOC Conditions

1. ___ AAR REVIEW APPRAISAL, APPROVED BY LENDER, TO SUPPORT A VALUE OF \$ 450,000.00
2. ___ EVIDENCE OF INSURANCE (COMPANY RATED B OR BETTER IN BEST GUIDE) NAMING:
FREMONT INVESTMENT & LOAN
3. AAR ___ COPY OF ORIGINAL APRSL INVOICE SHOWING ACTUAL COST OF APPRAISAL
4. ___ SEE ATTACHED APPRAISAL CONDITIONS.
5. ___ TAX CERTIFICATION REQUIRED PRIOR TO DRAWING OF LOAN DOCS.
6. ___ FINAL TITLE POLICY TO BE INSURED BY FIL APPROVED CO.

CLOSING Conditions

1. ___ ORIGINAL, TYPED CORRECTED 1003 APPL, SIGNED & DATED BY BORROWER & INTERVIEWER
2. ___ VERIFICATION LENDER WILL BE IN 1ST LIEN POSITION
3. ___ VERIFICATION LENDER WILL BE IN 2ND LIEN POSITION
4. ___ FIL 1ST & 2ND TO CLOSE CONCURRENTLY.

If you have any questions, or request any changes, please contact your Account Manager
SHENELLE DANIEL at 813-928-1708. Our fax number is 813-901-7633. Terms Subject to Change

Underwriter:

Signed STEVEN MOLENAAR

WCOMMPX 10 02/02/04

Page 1 of 2



Date: 9/16/05
Print Date: 9/16/05
Approval Review Date: 10/16/05
Broker: MCS LENDING LLC

Account Exec: JEFF PORFIRIO
Application #: 928000182284
Borrower(s): DARRICK GRIMES
YOLANDA GRIMES

in: JOHN
none: 561-864-2401
Fax: 561-864-2801

Property Address: 23 STACEY LEE DR
NEWBURGH, NY 12550

Program: A-XP 2/28 FULL DOC 30/30 1ST
Loan Amount: \$ 405,000.00 Start Rate/Floor: 6.450 %
Index: 6 MONTH LIBOR Margin 5.6737 % Ceiling 14.4500 %
1st Rate Change/Cap: 24 months 2.0000 %
Regular Rate Change/Cap: 6 months 1.5000 %
Prepayment Penalty Term: 0 Years Window? NO

Property Type: 1 FAMILY
Occupancy: OWNER OCCUPIED
Loan Purpose: PURCHASE 1-4 UNITS
LTV: 90.000 %
Rebate to broker 1.500 %
Points (discount) to FIL %

BROKER DEMAND

Please be advised increase in fees may result in required re-disclosure to the borrower(s) with applicable delays in document delivery.

	REMIT TO FIL	REMIT TO BROKER	POD	TOTAL TO APPLICANT
Lender Orig. Fee	\$ 0.00 + (%)	\$	\$	\$ 0.00
Broker FEE	\$ N/A + (0.0000%)	\$ 4,050.00		\$ 4,050.00
Loan Discount Fee (%)	\$			
Underwriting Fee	894.00 +	295.00		894.00
Application Fee	0.00 +			295.00
Doc Prep Fee	0.00 +			
Tax Service - LERETA	60.00 +			60.00
Wire Fee	0.00 +			
Flood Zone Cert. Fee - LERETA	9.50 +	945.00		954.50
Processing Fee	0.00 +			945.00
Credit Reporting Fees				
Other				
Other				
Other				
Other				
Rebate to Broker	(1.500%)	\$ 6,075.00		

BROKER MUST COMPLETE Escrow/Closing Agent Fee \$

These fees must be accurate as they will be reflected on the final HUD-1. Please stress to the escrow/closing company that their fees must be exact. Any changes in the fees may result in a redraw with applicable charges.

	OTHER FEES	TOTAL
Appraisal Fee	\$ (Paid) + \$ 300.00 (Due) =	300.00
	\$ (Paid) + \$ (Due) =	
Title Insurance		3,239.00
Recording Fee		50.00

Does Borrower want Impounds? NO YES. If Yes, provide insurance policy with this form

LENDER'S LOSS PAYABLE FREMONT INVESTMENT & LOAN
ENDORSEMENT TO READ: Its successors and/or assigns
P.O. BOX 653
AKELIA, OH 45102

Vesting to be as follows:

Darrick Grimes + Yolanda Grimes
Joint Tenants

Send Docs to:

Majestic Lattinment Services CONTACT: Jessica/Krista

Street Address:

55 Washington Street #851

ESCROW NO:

EMAIL Address:

Majestic Lattinment@aol.com

PHONE NO:

718-643-6320

FAX NO:

718-643-6511

☐ FEDEX AIR BILL NO.

I accept the terms of this loan, request
FIL to draw documents and wire funds.

[Signature]
Broker Signature

9/28/05
Date

Form of Broker Disbursement ☐ Check ☐ Wire Funds to Closing Agent ☐ Wire to Broker Account

If you have any questions, or request any changes, please contact your Account Manager
SHENELLE DANIEL at 813-426-1706. Our fax number is 813-901-7531.

FREMONT INVESTMENT & LOAN

Date: 9/16/05
Print Date: 8/18/05
Approval Review Date: 10/16/05

Account Exec: JEFF PORFIRIO
Application #: 926000182344
Borrower(s): DARRICK GRIMES
YOLANDA GRIMES

Broker: WGS LENDING LLC

Pin: JOHN
Phone: 561-864-2401
Fax: 561-864-2801

Property Address: 23 STACEY LEE DR
NEWBURGH, NY 12550
Property Type: 1 FAMILY

Program: A-IP FIXED FULL DOC 15/15 2ND
Loan Amount \$ 22,500.00
Start Rate: 12.4900 %
Prepayment Penalty Term: 1 Years

Occupancy: OWNER OCCUPIED
Loan Purpose: PURCHASE 1-4 UNITS
LTV: 95.000
Rebate to broker: %
Points (discount) to FIL: %

BROKER DEMAND

Please be advised increase in fees may result in required re-disclosure to the borrower(s) with applicable delays in document delivery.

PREPAID FINANCE CHARGES

	REMIT TO FIL	REMIT TO BROKER	POC	TOTAL TO APPLICANT
Lender Orig. Fee	\$	(%)	\$	= \$
Broker FEE	\$ M/A + (0.000%)	\$		=
Loan Discount Fee (%)	\$ + (%)	\$		=
Underwriting Fee	+			=
Application Fee	+			=
Doc Prep Fee	+			=
Tax Service - LERETA	+			=
Wire Fee	+			=
Flood Zone Cert. Fee - LERETA	+			=
Processing Fee	0.00 +			=
Credit Reporting Fees	+			=
Other	+			=
Other	+			=
Other	+			=
Other	+			=
Rebate to Broker	(%)	\$		=

BROKER MUST COMPLETE

Escrow/Closing Agent Fee \$

These fees must be accurate as they will be reflected on the final HUD-1. Please stress to the escrow/closing company that their fees must be exact. Any changes in the fees may result in a redraw with applicable charges.

	OTHER FEES	TOTAL
Appraisal Fee	\$ (Paid) + \$ (Due) =	
	\$ (Paid) + \$ (Due) =	
Title Insurance		
Recording Fee		0.00

LENDER'S LOSS PAYABLE FREMONT INVESTMENT & LOAN
ENDORSEMENT TO READ: Its successors and/or assigns
P.O. BOX 658
DELTA, OH 43102

Vesting to be as follows:

Darrick Grimes & Yolanda Grimes Joint

Send Docs to:

Majestic Settlement Services CONTACT: Jessica/Krista

Street Address:

55 Washington Street #65 ESCROW NO:

EMAIL Address:

Majestic Doc Serv@aol.com PHONE NO: 718-643-6320

FAX NO: 718-643-6511

I accept the terms of this loan, request
FIL to draw documents and wire funds.

☐ FEDEX AIRBILL NO.

[Signature]

9/28/05

Form of Broker Disbursement: ☐ Check ☐ Wire Funds to Closing Agent ☐ Wire to Broker Account

If you have any questions, or request any changes, please contact your Account Manager
SHENELLE DANIEL at 313-428-1708. Our fax number is 813-901-7531.

FREEMONT INVESTMENT & LOAN

Date: 9/16/05
Print Date: 9/16/05
Approval Review Date: 10/16/05

Account Exec: JEFF PORFIRIO
Application #: 926000182284
Borrower(s): DARRICK GRIMES
YOLANDA GRIMES

Broker: WCS LENDING LLC

Attn: JOHN
Phone: 561-864-2401
Fax: 561-864-2801

Property Address: 23 STACEY LEE DR
NEWBURGH, NY 12550

Program A-XP 2/28 FULL DOC 30/30 1ST
Loan Amount \$ 405,000.00 Start Rate/Floor: 8.450 %
Index: 6 MONTH LIBOR Margin 6.6737 % Ceiling 14.4500 %
1st Rate Change/Cap: 24 months 2.0000 %
Regular Rate Change/Cap: 6 months 1.5000 %
Prepayment Penalty Term: 0 Years Window? NO
Property Type: 1 FAMILY
Occupancy: OWNER OCCUPIED
Loan Purpose: PURCHASE 1-4 UNITS
LTV: 90.000 %
Rebate to broker 1.500 %
Points (discount) to FIL %

BROKER DEMAND

Please be advised increase in fees may result in required re-disclosure to the borrower(s) with applicable delays in document delivery.

	REMIT TO FIL	PREPAID FINANCE CHARGES	REMIT TO BROKER	POC	TOTAL TO APPLICANT
Lender Orig. Fee	\$ 0.00 + (%)	\$	\$	=	\$ 0.00
Broker FEE	\$ N/A + (0.0000%)	\$	\$ 4,050.00	=	\$ 4,050.00
Loan Discount Fee (%)	\$ + (%)	\$		=	
Underwriting Fee	894.00 +			=	894.00
Application Fee	0.00 +	295.00		=	295.00
Doc Prep Fee	0.00 +			=	
Tax Service - LERETA	60.00 +			=	60.00
Wire Fee	0.00 +			=	
Flood Zone Cert. Fee - LERETA	9.50 +	945.00		=	9.50
Processing Fee	0.00 +			=	945.00
Credit Reporting Fees	+			=	
Other	+			=	
Other	+			=	
Other	+			=	
Other	+			=	
Rebate to Broker	(1.500%)	\$ 6,075.00		=	

BROKER MUST COMPLETE

Escrow/Closing Agent Fee \$

These fees must be accurate as they will be reflected on the final HUD-1. Please stress to the escrow/closing company that their fees must be exact. Any changes in the fees may result in a redraw with applicable charges.

	OTHER FEES	TOTAL
Appraisal Fee	\$ (Paid) + \$ 300.00 (Due) =	300.00
	\$ (Paid) + \$ (Due) =	
Title Insurance		3,259.00
Recording Fee		50.00

Does Borrower want impounds? NO ☒ YES. If Yes, provide insurance policy with this form

LENDER'S LOSS PAYABLE FREEMONT INVESTMENT & LOAN

ENDORSEMENT TO READ: Its successors and/or assigns

P.O. BOX 658

AMELIA, OH 45102

Vesting to be as follows:

Darrick Grimes + Yolanda Grimes
Joint Tenants

Send Docs to:

Majestic Settlement Services CONTACT: Jessica/Krista

Street Address:

35 Washington Street # 851

ESCROW NO:

EMAIL Address:

Majestic.Doc@aol.com

PHONE NO: 718-643-6320

FAX NO: 718-643-6511

I accept the terms of this loan, request FIL to draw documents and wire funds.

☐ FEDEX AIR BILL NO.

Shene
Broker Signature

9/28/05
Date

Form of Broker Disbursement: ☐ Check ☐ Wire Funds to Closing Agent ☐ Wire to Broker Account

If you have any questions, or request any changes, please contact your Account Manager SHENELLE DANIEL at 813-426-1706. Our fax number is 813-901-7631.

FREMONT INVESTMENT & LOAN

Date: 8/16/05
 Print Date: 8/16/05
 Approval Review Date: 10/16/05

Account Exec: JEFF PORFIRIO
 Application #: 926000182344
 Borrower(s): DARRICK GRIMES
 YOLANDA GRIMES

Broker: WCS LENDING LLC

In: JDHM
 Phone: 561-864-2401
 Fax: 561-864-2801

Property Address: 23 STACEY LEE DR
 NEWBURGH, NY 12550
 Property Type: 1 FAMILY

Program: A-XP FIXED FULL DOC 15/15 2ND
 Loan Amount: \$ 22,500.00
 Start Rate: 12.4900 %
 Prepayment Penalty Term: 1 Years

Occupancy: OWNER OCCUPIED
 Loan Purpose: PURCHASE 1-4 UNITS
 LTV: 95.000
 Rebate to broker: %
 Points (discount) to FHL: %

BROKER DEMAND

Please be advised increase in fees may result in required re-disclosure to the borrower(s) with applicable delays in document delivery.

PREPAID FINANCE CHARGES

	REMIT TO FHL	REMIT TO BROKER	POC	TOTAL TO APPLICANT
Lender Orig. Fee	\$	(%) \$	\$	= \$
Broker FEE	\$ N/A	+ (0.000%) \$	\$	=
Loan Discount Fee (%)	\$	+ (%) \$	\$	=
Underwriting Fee		+		=
Application Fee		+		=
Doc Prep Fee		+		=
Tax Service - LERETA		+		=
Wire Fee		+		=
Flood Zone Cert. Fee - LERETA		+		=
Processing Fee	0.00	+		=
Credit Reporting Fees		+		=
Other		+		=
Other		+		=
Other		+		=
Other		+		=
Rebate to Broker		(%) \$		=

BROKER MUST COMPLETE Escrow/Closing Agent Fee \$

These fees must be accurate as they will be reflected on the final HUD-1. Please stress to the escrow/closing company that their fees must be exact. Any changes in the fees may result in a redraw with applicable charges.

	OTHER FEES	TOTAL
Appraisal Fee	\$ (Paid) + \$ (Due) =	
	\$ (Paid) + \$ (Due) =	
Title Insurance		
Recording Fee		0.00

LENDER'S LOSS PAYABLE FREMONT INVESTMENT & LOAN
 ENDORSEMENT TO READ: Its successors and/or assigns
 P.O. BOX 858
 AMELIA, OH 45102

Vesting to be as follows:

Darrick Grimes & Yolanda Grimes Joint

Send Docs to:

Majestic Settlement Services CONTACT: Jessica/Krista

Street Address:

55 Washington Street #85 ESCROW NO:

EMAIL Address:

Majestic Docs@aol.com PHONE NO: 718-643-6320

FAX NO: 718-643-6511

I accept the terms of this loan, request
 FHL to draw documents and wire funds.

☐ FEDEX AIRBILL NO.

[Signature]

9/28/05

Broker Signature

Date

Form of Broker Disbursement: ☐ Check ☐ Wire Funds to Closing Agent ☐ Wire to Broker Account

If you have any questions, or request any changes, please contact your Account Manager
 SHENELLE DANIEL at 313-428-1708. Our fax number is 813-801-7531.

WCS040508 10AM 11/16/04

Page 2 of 2

* Terms Subject to Change

FREMONT
 INVESTMENT & LOAN

Address: **2727 EAST IMPERIAL HIGHWAY
BREA, CA 92821**

Date: **September 16, 2005** Property Address: **23 STACEY LEE DR
NEWBURGH, NY 12550**

Application Number: **926000182284**

GOOD FAITH ESTIMATE OF SETTLEMENT CHARGES

Information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates - the actual charges may be more or less. Your transaction may not involve a fee for every item listed. Interest, late charges and prepayment penalties, if any, shall be governed by Federal and California law. If your loan is prepaid within the next 3 years, it may be subject to a prepayment penalty. If your loan is prepaid, the loan fees or other similar charges will not be subject to any refund.

The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Ref. HUD-1 Statement	Amount paid on your account:			
1000's	Hazard Insurance Premium Reserves	mo @ \$	\$	
1000's	Flood Insurance Premium Reserves	mo @ \$	\$	
1000's	Tax & Assessment Reserves	mo @ \$	468.75	\$
	Amount paid to others on your behalf:		PAID	DUE
800's	Appraisal Fees to Appraiser			300.00
800's				
800's				
900's	Hazard Insurance Premiums to Insurance Agency			1,350.00
900's	Flood Insurance Premiums to Insurance Agency			
1100's				
1100's	Notary Fee to:			
1200's	Title Insurance Premiums to: Title Company			3,259.00
	Filing Fees to Public Officials/ Recording Fees			50.00
	Loan Proceeds to: Title Company	\$		392,047.18
	AMOUNT FINANCED	\$		395,656.18
	Prepaid Finance Charge	\$		9,343.82
	Itemization of Prepaid Finance Charge:	LENDER	BROKER	POC
	Lender Origination Fee (%)	0.00		
	Broker FEE (%)		5,265.00	
800's	Loan Discount (%)			
800's	Prepaid Interest (18 Days)			
900's	@ \$ 88.77 per day	1,420.32		
800's	Underwriting Fee	894.00		
1100's	Escrow/Closing Agent Fee	1,695.00		
800's	Credit Reporting Fees			
800's	Application Fee	0.00		
	Doc Prep Fee	0.00		
800's	Tax Service Fee -LandAmerica Tax and Flood Services	60.00		
800's	Wire Fee	0.00		
800's	Flood Cert Fee -LandAmerica Tax and Flood Services	9.50		
800's	Processing Fee	0.00		
	Prepaid Finance Charge	4,078.82	5,265.00	
	Total Prepaid Finance Charge		9,343.82	
				LOAN AMOUNT \$ 405,000.00
				These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender.
				<input checked="" type="checkbox"/> All Disclosures are estimates
				<input checked="" type="checkbox"/> Broker Yield Spread Premium: 0=3% of Loan Amount

THIS SECTION TO BE COMPLETED BY LENDER ONLY IF PARTICULAR PROVIDER OF SERVICE IS REQUIRED. Use of the particular provider is required and the estimate is based on charges of the provider.

ITEM	NAME & ADDRESS OF PROVIDER	TELEPHONE NO.	NATURE OF RELATIONSHIP
Tax Service Contract and Flood Zone Certification	LandAmerica Tax and Flood Services 1123 S. Parkview Dr. Covina, CA 91724	(800) 537-3821	Lender has repeatedly used or required borrowers to use the services of this provider.

Neither you nor the creditor previously has become obligated to make or accept this loan, nor is any such obligation made by the delivery or signing of this disclosure. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the "Consumer Handbook on Adjustable Rate Mortgages", and a copy of this disclosure.

Applicant	DARRICK GRIMES	Date	Applicant	YOLANDA GRIMES	Date
Applicant		Date	Applicant		Date

ITGFAITH TG 05/17/04



Address: **2727 E IMPERIAL HIGHWAY
BREA, CA 92821**

Date: **October 11, 2005**

Property Address: **23 STACEY LEE DR
NEWBURGH, NY 12550**

Application Number: **926000182284**

GOOD FAITH ESTIMATE OF SETTLEMENT CHARGES

Information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates - the actual charges may be more or less. Your transaction may not involve a fee for every item listed. Interest, late charges and prepayment penalties, if any, shall be governed by Federal and California law. If your loan is prepaid within the next 3 years, it may be subject to a prepayment penalty. If your loan is prepaid, the loan fees or other similar charges will not be subject to any refund.

The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Ref. HUD-1 Statement	Amount paid on your account:		PAID	DUE
1000's	Hazard Insurance Premium Reserves	mo @ \$	\$	
1000's	Flood Insurance Premium Reserves	mo @ \$	\$	
1000's	Tax & Assessment Reserves	mo @ \$	420.85	\$
800's	Amount paid to others on your behalf:			
800's	Appraisal Fees to Appraiser			300.00
800's				
900's	Hazard Insurance Premiums to Insurance Agency			1,350.00
900's	Flood Insurance Premiums to Insurance Agency			
1100's	Notary Fee to:			
1100's	Title Insurance Premiums to: MAJESTIC SETTLEMENT SERVICES			3,259.00
1200's	Filing Fees to Public Officials/ Recording Fees			50.00
	Loan Proceeds to: MAJESTIC SETTLEMENT SERVICES	\$		391,473.54
	AMOUNT FINANCED	\$		395,082.54
	Prepaid Finance Charge	\$		9,917.46
	Itemization of Prepaid Finance Charge:			
		LENDER	BROKER	POC
800's	Lender Origination Fee (%)	0.00		
800's	Broker FEE (%)		4,050.00	
800's	Loan Discount (%)			
900's	Prepaid Interest (21 Days)			
800's	@ \$ 93.76 per day	1,968.96		
800's	Underwriting Fee	894.00		
1100's	Escrow/Closing Agent Fee	1,695.00		
800's	Credit Reporting Fees			
800's	Application Fee	0.00	295.00	
800's	Doc Prep Fee	0.00		
800's	Tax Service Fee -LandAmerica Tax and Flood Services	60.00		
800's	Wire Fee	0.00		
800's	Flood Cert Fee -LandAmerica Tax and Flood Services	9.50		
800's	Processing Fee	0.00	945.00	
	Prepaid Finance Charge	4,627.46	5,290.00	
	Total Prepaid Finance Charge	9,917.46		

LOAN AMOUNT \$ 405,000.00

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender.

☒ All Disclosures are estimates

☒ Broker Yield Spread Premium: 0-3% of Loan Amount

THIS SECTION TO BE COMPLETED BY LENDER ONLY IF PARTICULAR PROVIDER OF SERVICE IS REQUIRED. Use of the particular provider is required and the estimate is based on charges of the provider.

ITEM	NAME & ADDRESS OF PROVIDER	TELEPHONE NO.	NATURE OF RELATIONSHIP
Tax Service Contract and Flood Zone Certification	LandAmerica Tax and Flood Services 1123 S. Parkview Dr. Covina, CA 91724	(800) 537-3821	Lender has repeatedly used or required borrowers to use the services of this provider.

either you nor the creditor previously has become obligated to make or accept this loan, nor is any such obligation made by the delivery or signing of this disclosure. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the "Consumer Handbook on Adjustable Rate Mortgages", and a copy of this disclosure.

Applicant: **DARRICK GRIMES** Date: _____ Applicant: **YOLANDA GRIMES** Date: _____

Applicant: _____ Date: _____ Applicant: _____ Date: _____

GOOD FAITH TO 05/17/04



B. Type of Loan 1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FmHA 3. <input type="checkbox"/> Conv. Unins. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> Conv. Ins.			6. File Number PA005-4023	7. Loan Number 926000182284	8. Mortgage Insurance Case No.
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts by to and by settlement agent are shown. Items marked P.O.C. were paid outside the closing; they are shown here for informational purposes and are not included in the totals.					
D. Name and Address of Borrower: Dunn, Ronald J & Yolanda Grimes 188-1 Ave St. Albans, NY 11412		E. Name and Address of Seller: Ronald J Cohen & Ann Eve Cohen 23 Stacy Lee Drive Newburgh, NY 12550		F. Name and Address of Lender: Fremont Investment & Loan 5404 Cypress Center Ste 300 Tampa, FL 33609	
G. Property Location: 23 Stacy Lee Drive Newburgh, NY 12550		H. Settlement Agent: Majestic Settlement Services 55 Washington Street, Suite 851 Brooklyn, NY 11201		I. Settlement Date 10/12/2005	
J. Summary of Borrower's Transaction		K. Summary of Seller's Transactions			
100. Gross Amount Due From Borrower		400. Gross Amount Due to Seller			
101. Contract Sales Price	450,000.00	401. Contract Sales Price	450,000.00		
102. Personal Property		402. Personal Property			
103. Settlement Charges to Borrower (line 1400)	27,915.82	403.			
104. Payoff to Wilshire Credit Corporation		404.			
105. Payoff to		405.			
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance			
106. City/town taxes 1/1 to 12/31	458.03	406. City/town taxes 1/1 to 12/31	458.03		
107. County Taxes to		407. County Taxes to			
108. Assessments to		408. Assessments to			
109. School Taxes to		409. School Taxes to			
110. Fuel Oil	1567.50	410. Fuel Oil	1567.50		
111. Propane	604.20	411. Propane	604.20		
112. Pool Closing	500.00	412. Pool Closing	500.00		
120. Gross Amount Due From Borrower	476,045.55	420. Gross Amount Due to Seller	453,129.73		
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions in Amounts Due To Seller			
201. Cash or earnest money	20,000.00	501. Excess deposit (see instructions)			
202. Principal amount of new loan(s)	405,000.00	502. Settlement charges to seller (line 1400)	27,350.00		
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to			
204. Borrowers Credit		504. Payoff ABN AMRO	250,000.00		
205. 2nd Loan Proceeds	21,566.88	505. Payoff Chase Bank One	164,351.16		
206. Early Closing	3,000.00	506. Deposit	20,000.00		
207. Seller's Concession	13,500.00	507. Early Closing	3,000.00		
208.		508. Seller's Concession	13,500.00		
209.		509.			
Adjustments for items unpaid by sellers		Adjustments for items unpaid by sellers			
210. City/town taxes to		510. City/town taxes to			
211. County Taxes to		511. County Taxes to			
212. Assessments to		512. Assessments to			
213. School Taxes 7/1 to 6/30	1301.97	513. School Taxes 7/1 to 6/30	1301.97		
214. Maintenance	11.96	514. Maintenance Fee	11.96		
215.		515.			
216.		516.			
217.		517.			
218.		518.			
220. Total Paid By/For Borrower	464,580.31	520. Total Reduction Amount Due Seller	480,315.09		
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller			
301. Cash amount due from borrower (line 220)	476,045.55	601. Gross Amount due to seller (line 420)	453,129.73		
302. Less amounts paid by/for borrower (line 220)	464,580.31	602. Less reductions in amt. due to seller (line 520)	480,315.09		
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	11,465.24	303. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	27,185.36		
Totals: Borrower		Totals: Seller			

SETTLEMENT CHARGES				PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES BROKER'S COMMISSION Based on Price \$					
701. \$	10,800.00	to Easy Lifestyle			
702. \$	15,120.00	to Century 21 Anarimo			
703. Commission paid at settlement					25,920.00
800. PAYABLE IN CONNECTION WITH LOAN:					
801. Underwriting Fee to Fremont Investment & Loan				894.00	
802. Mortgage Broker Fee to WCS Lending				4,050.00	
803. Application fee to WCS Lending				295.00	
804. Appraisal Fee to POC (\$300.00)					
805. Flood Certification Fee paid to Land America Tax and Flood Services				9.50	
806. Tax Service Fee to Land America Tax and Flood Services				60.00	
807. YSP to WCS Lending from Fremont Investment & Loan POC (\$6,075.00)					
808. Processing fee to WCS Lending				945.00	
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:					
901. Interest from 10-12-05 to 11-01-05 @ \$93.76 day				1,875.20	
902. Hazard insurance premium for months, To Allstate POC 1,183.00					
903. Flood insurance premium for yrs. To					
904. Aggregate Adjustment					
1000. RESERVES DEPOSITED WITH LENDER:					
1001. Hazard insurance	4	months @ \$115.25	per month	461.00	
1002. Mortgage insurance		months @ \$	per month		
1003. City property tax	12	months @ \$172.00	per month	2,064.00	
1004. Town/Village property tax		months @ \$	per month		
1005. Flood insurance		months @ \$	per month		
1006. School tax	6	months @ \$ 420.85	per month	2,525.10	
1007. School Tax		months @ \$	per month		
1008. Adjustment				(2,718.94)	
1100. CHARGES:					
1101. Courier Fee Wire to Majestic Settlement Services				125.00	
1102. Attorney Fee to Majestic Settlement Services Inc				850.00	
1103. Escrow Service Fee to					
1104. New Survey Inspection				815.00	
1105. Owner's Coverage to Perfect Abstract				524.88	
2,2300.00				2,234.00	
1107. Fed Ex and Courier Fee to					
1108. Endorsements to Perfect Abstract				100.00	
1109. Municipal Searches to Perfect Abstract				540.00	
1110. Continuation Charge and Clearance fee to					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES:					
1201. Recording fees:	Deed \$	150.00	Mortgage \$ 175	Releases \$ 130	325.00 130.00
1202. City/county tax/stamps:	Deed \$		Mortgage \$		
1203. State tax stamps:	Deed \$		Mortgage \$ (1-4 pt lender POC \$1012.50)		3,210.00 1,800.00
1204. RP 5217					
1300. ADDITIONAL SETTLEMENT CHARGES:					
1301. Travel Fee to Majestic Settlement Services				100.00	
1302. Taxes to Perfect Abstract				3,566.08	
1303.					
1304.					
1305.					
1306.					
1307.					
400. TOTAL SETTLEMENT CHARGES				22,915.82	27,850.00

Exhibit E

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ORANGE**

-----X Index No.: 2006-10714

**US BANK NATIONAL ASSOCIATION, AS TRUSTEE
FOR MASTER ASSET BACKED SECURITIES TRUST
2006-FRE1,**

Plaintiff,

**AMENDED
ANSWER**

-against-

**DARRICK GRIMES, YOLANDA GRIMES,
BENEFICIAL HOMEOWNER SERVICE
CORPORATION; "JOHN DOES" and "JANE DOES",
said names being fictitious, parties intended being
possible tenants or occupants of premises, and corporations,
other entities or persons who claim, or may claim, a lien
against the premises,**

Defendants.

-----X

Defendants, DARRICK GRIMES and YOLANDA GRIMES, as and for their
Verified Answer, by their attorneys, BONACIC, KRAHULIK & ASSOCIATES, LLP,
respectfully allege upon information and belief, as follows:

1. Denies knowledge and information sufficient to form a belief as to each allegation contained in paragraph "1" of the verified complaint.
2. Admits the allegations contained in paragraph "2" of the verified complaint.
3. Admits the allegations contained in paragraph "3" of the verified complaint to the extent that it is alleged that the Defendants signed a promissory note, but denies knowledge and information sufficient to form a belief as to the remaining allegations therein.

4. Admits the allegation contained in paragraph "4" of the verified complaint to the extent that it is alleged that the Defendants signed a mortgage, but denies knowledge or information sufficient to form a belief as to the remaining allegations therein.

5. Denies the allegations contained in paragraph "5" of the verified complaint.

6. Denies each and every allegation contained in paragraphs "7", "8", "9", "10", "11" and "12" of the verified complaint.

7. Denies knowledge and information sufficient to form a belief as to each allegation contained in paragraphs "14", "15" and "16" of the verified complaint.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

8. Defendants, Darrick and Yolanda Grimes, suffered damages due to the fraud and misrepresentation in the inducement of a mortgage given by Plaintiff, or its agents.

WHEREFORE, Defendants demand judgment against Plaintiff:

- (a) dismissing the complaint;
- (b) awarding Defendants attorneys' fees, costs and disbursements of this action; and
- (c) awarding Defendants such other and further relief that this Court may deem just and proper.

Dated: Middletown, New York
July 9, 2007

ARIANA J. ANTONELLI, ESQ.
BONACIC, KRAHULIK & ASSOCIATES, LLP
90 Crystal Run Road, Suite 104

Middletown, New York 10941
(845) 703-3101

TO: ROSICKI, ROSICKI & ASSOCIATES, P.C.
Attorneys for Plaintiff
51 E. Bethpage Road
Plainview, New York 11803
(516) 741-2585

CC: McCABE, WEISBERG & CONWAY, P.C.
Attorneys for Co-Defendant BENEFICIAL
HOMEOWNER SERVICE CORP.
53 West 36th Street, Suite 205
New York, New York 10018
(917) 351-1188

Exhibit F

JUN-06-2007 16:15
Jan. 12. 2007. 3:43PM

BONACIC KRAHULIK

845 703 3110 P.15
No. 6079 P. 4SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ORANGE-----X
US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR
MASTR ASSET BACKED SECURITIES TRUST 2006-
FRE1,

Index No.: 06-10714

D/O/F: 12/26/06

Plaintiff,

VERIFIED COMPLAINT

-against-

DARRICK GRIMES; YOLANDA GRIMES; BENEFICIAL
HOMELOWNER SERVICE CORPORATION;"JOHN DOES" and "JANE DOES", said names being
fictitious, parties intended being possible tenants or occupants
of premises, and corporations, other entities or persons who
claim, or may claim, a lien against the premises,Defendants.
-----XPlaintiff, by its attorney, ROSICKI, ROSICKI & ASSOCIATES, P.C., complaining of
the Defendant(s) alleges, upon information and belief as follows:

1. At all times hereinafter mentioned, plaintiff US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTR ASSET BACKED SECURITIES TRUST 2006-FRE1 was and still is duly organized and existing under the laws of the State of South Carolina.

2. At all times hereinafter mentioned, the defendants were, and still are, residents, corporations and/or bodies politics, duly authorized to reside and/or exist in and under the laws of New York State.

3. On or about October 12, 2005, DARRICK GRIMES; YOLANDA GRIMES executed and delivered to Fremont Investment & Loan, a certain note bearing date that day, whereby DARRICK GRIMES; YOLANDA GRIMES covenanted and agreed to pay the sum of \$405,000.00, which sum, with interest on the unpaid balance thereof, to be computed from the date of said note, at a rate variable in accordance with the aforesaid instrument, with the initial rate being 8.450 percent per annum, or such other adjusted rate as provided for in said agreement, by payments of \$3,099.76 on December 1, 2005 and thereafter in payments of \$3,099.76 on the like date of each subsequent month subject to change in accordance with changes in interest rate, until said note is fully paid, except that the final payment of principal and interest remaining due, if not sooner paid, shall become due and payable on November 1, 2035.

4. As collateral security for the payment of said indebtedness, the aforesaid defendant(s) DARRICK GRIMES; YOLANDA GRIMES, also executed, acknowledged and delivered to Fremont Investment & Loan, a mortgage dated October 12, 2005 and recorded in the

JUN-06-2007 16:15
Jan. 12. 2007 3:43PM

BONACIC KRAHULIK

845 703 3110 P.16
No. 6079 P. 5

County of Orange on December 6, 2005 in Liber/Reel 12012 of Mortgages, at page 378. The mortgage tax was duly paid. The aforesaid instruments were assigned to Plaintiff by assignment(s). Plaintiff is still the owner and holder of the aforementioned instrument(s).

Said mortgaged premises being known as and by street address:

23 Stacy Lee Drive, Newburgh, NY 12550, bearing tax map designation:

Section: 106 Block: 2 Lot(s): 4.2

which premises are more fully described in Schedule "A," annexed hereto and made a part hereof.

5. Said premises are subject to covenants, restrictions, easements of record, prior mortgages and liens, and amendments thereto, if any; to any state of facts an accurate survey may show; railroad consents and sewer agreements, and to utility agreements, municipal and governmental zoning, rules, regulations and ordinances, if any.

6. The total monthly payment due as of default date to plaintiff is \$3,807.87.

7. That the Mortgagors, their successors, assigns and/or transferees, have failed to comply with the terms and conditions of said above named instrument[s] by failing or omitting to pay the installment which became due and payable as of August 1, 2006 and also by failing or omitting to pay the installment which became due and payable each and every month thereafter, to the date hereof, although duly demanded.

8. That the terms of the above described instruments provide: (1) that the whole of said principal sum and interest shall become due at the option of the Mortgagee after default in the payment of any installment of principal or of interest; (2) that upon any default the Mortgagor will pay to the Mortgagee any sums paid for taxes, charges, assessments, and insurance premiums upon said mortgaged premises; (3) that in case of sale under foreclosure, the premises may be sold in one parcel.

9. Pursuant to the terms of said instrument[s] notice of default has been duly given to the defendants if required, and the period to cure, if any, has elapsed and by reason thereof, Plaintiff has elected and hereby elects to declare immediately due and payable the entire unpaid balance of principal.

10. That the balance of principal due upon said note and mortgage as of the date of said default and as of the time of this Complaint is \$402,967.36 plus interest from July 1, 2006.

11. That in order to protect its security, plaintiff may be compelled during the pendency of this action to make repairs to, board, secure, protect and maintain the premises, to pay taxes, assessments, water rates, sewer rentals, insurance premiums, mortgage insurance premiums, if there be any, and other charges affecting the premises, and the plaintiff requests that any sum so paid be added to the sum otherwise due, with interest as provided in the

aforesaid instruments, and be deemed secured by said instrument[s] and adjudged a valid lien on the premises hereinabove described.

12. That the plaintiff requests that in the event this action proceeds to Judgment of Foreclosure and Sale, said premises be sold subject to covenants, restrictions and easements, prior mortgages and liens, and amendments, if any, of record; any state of facts an accurate survey may show; restrictions, regulations, ordinances and zoning ordinances of any municipal or governmental authority having jurisdiction thereof; and municipal, departmental and other governmental violations, if any, affecting the premises; and real estate taxes, sewer rents, water charge, if any, open of record.

13. That no other action has been commenced at law or otherwise for the recovery of the sum or any part thereof secured by the said instrument[s].

14. That the defendants all have or claim to have some interest in or lien[s] upon the said mortgaged premises, or some part thereof, which interest or lien[s], if any, has [have] accrued subsequently to the lien[s] of the said mortgage[s] or was in express terms or by law made subject thereto, or has [have] been duly subordinated thereunto.

15. That the defendants "JOHN DOES" and "JANE DOES" may be tenants or may be in possession of the aforementioned premises, or may be corporations, other entities or persons who claim, or may claim, a lien against the premises.

16. That the basis for naming any political subdivision, governmental agency or similar body, or the holder of a security interest in personal property, if any, is set forth as Exhibit "B".

WHEREFORE, plaintiff demands judgment that the defendants and all persons claiming under them subsequent to the filing of the Notice of Pendency of this action in the County of Orange may be forever barred and foreclosed from all right, title, claim, lien and equity of redemption in said mortgaged premises, and each and every part thereof, except the right of the United States of America and its political subdivision, if it or they be a party to this action, to redeem as provided for in the applicable laws; that the said premises may be decreed to be sold according to law; that the amount of principal due the plaintiff on said note and mortgage may be adjudged in the sum of \$402,967.36 plus interest from July 1, 2006, and that from the money arising from the sale, plaintiff be paid the amount of \$402,967.36 principal due it on said note and mortgage with interest and late charges that may be due and owing to the time of such payment plus the expenses of sale and the costs and expenses of this action, together with any sum which may be paid by the plaintiff for repairs to, boarding, securing, protecting and maintaining the premises, taxes, charges, assessments and insurance premiums upon said mortgaged premises, with appropriate interest thereon so far as such moneys properly applicable

JUN-06-2007 16:16
Jan. 12. 2007 3:44PM

BONACIC KRAHULIK

845 703 3110 P.18
No. 6079 P. /

thereto will pay the same; that the defendants DARRICK GRIMES; YOLANDA GRIMES be adjudged to pay any deficiency which may remain; that a Receiver, upon plaintiff's application therefore, be forthwith appointed for said mortgaged premises for the benefit of the plaintiff, with all powers of receivers in such actions, and that the plaintiff have such other and further relief as may be just and proper in the premises, together with attorney's fees, costs and disbursements of this action.

Dated: December 21, 2006
Fishkill, New York



Daniel Wade, Esq.
ROSICKI, ROSICKI & ASSOCIATES, P.C.
Attorneys for Plaintiff
2 Summit Court, Suite 301
Fishkill, NY 12524
(845) 897-1600

JUN-06-2007 16:16
Jan. 12. 2007 3:44PM

BONACIC KRAHULIK

845 703 3110 P.19
No. 6079 P. 8

Schedule A

Title Number: 06-052358

ALL THAT PIECE, OR PARCEL OF LAND, situate, lying and being in the Town of Newburgh, County of Orange, State of New York, being designated as Lot Number 11 on a map entitled, Subdivision Plan Lands of Parcel Development Corp. dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map Number 7681, being more particularly bounded and described as follows:

BEGINNING at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 degrees 37 minutes West, 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot Number 12, of the above mentioned filed map, on the east and the Lot Number 11, herein described on the west;

THENCE along the last mentioned division line, South 22 degrees 23 minutes West, 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot Number 11 herein described on the north;

THENCE along the last mentioned line, North 72 degrees 40 minutes West, 301.17 feet to a point on the division line between Lot Number 10, of the above mentioned filed map, on the west and Lot Number 11 herein described on the east;

THENCE along the last mentioned division line, North 22 degrees 23 minutes East, 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive;

THENCE along the last mentioned division line, South 67 degrees 37 minutes East, 300.00 feet to the point or place of **BEGINNING**.

TOGETHER WITH, along with others, the right of ingress and egress, as well as the right to place utilities over a 60 foot right-of-way, known as Stacy Lee Drive, a private road as shown on the aforementioned filed Map Number 7681.

Section: 106 Block: 2 Lot: 4.2

JUN-06-2007 16:16
Jan. 12. 2007 3:44PM

BONACIC KRAHULIK

845 703 3110 P.20
No. 6079 P. 9ATTORNEY'S VERIFICATION

STATE OF NEW YORK)
) ss:
COUNTY OF DUTCHESS)

Daniel Wade, Esq., the undersigned, an attorney duly admitted to practice law before the Courts of the State of New York, affirms under the penalty of perjury:

That (s)he is an associate of ROSICKI, ROSICKI & ASSOCIATES, P.C., attorney of record for plaintiff in the above entitled action; that (s)he has read the foregoing Summons and Complaint and knows the contents thereof; that the same is true to affiant's knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters (s)he believes it to be true.

The reason that this verification is made by the undersigned and not by plaintiff is because plaintiff maintains its principal place of business outside Dutchess County; that being the County in which your affiant maintains an office for the practice of law.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are based upon the records of plaintiff in deponent's possession.

Dated: December 21, 2006
Fishkill, New York


Daniel Wade, Esq.

JUN-06-2007 16:16
Jan. 12. 2007 3:44PM

BONACIC KRAHULIK

845 703 3110 P.21
No. 6079 P. 10

Index No.:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ORANGE

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR
MASTR ASSET BACKED SECURITIES TRUST 2006-FRE1,

Plaintiff,

-against-

DAIRICK GRIMES; YOLANDA GRIMES, et al.,

Defendants.

SUMMONS AND VERIFIED COMPLAINT

ROSICKI, ROSICKI & ASSOCIATES, P.C.
Attorneys for Plaintiff
2 Summit Court, Suite 301
Fishkill, NY 12524
(845) 897-1600
(845) 897-2648
RR&A #: 06-052332

EXHIBIT B

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ORANGE

-----X Index No.: 2006-10714
US BANK NATIONAL ASSOCIATION,
AS TRUSTEE FOR MASTER ASSET BACKED
SECURITIES TRUST 2006-FRE1,

Plaintiff,

VERIFIED ANSWER

-against-

DARRICK GRIMES, YOLANDA GRIMES,
BENECIRICAL HOMEOWNER SERVICE CORPORATION,
Defendants.
-----X

Defendants, DARRICK GRIMES and YOLANDA GRIMES, as and for its
Verified Answer, by its attorneys, BONACIC, LoBIONDO & KRAHULIK, LLP,
respectfully alleges upon information and belief, as follows:

1. Denies knowledge or information sufficient to form a belief as to each allegation contained in paragraphs "1" of the Verified Complaint.
2. Admits the allegations contained in paragraph "2" of the Verified Complaint.
3. Admits the allegation contained in paragraph "3" of the Verified Complaint to the extent that it is alleged that the Defendants signed a promissory note, but denies knowledge or information sufficient to form a belief as to the remaining allegations therein.
4. Admits the allegation contained in paragraph "4" of the Verified Complaint to the extent that it is alleged that the Defendants signed a mortgage, but denies knowledge or information sufficient to form a belief as to the remaining allegations therein.
5. Denies the allegation contained in paragraph "5" of the Verified Complaint.

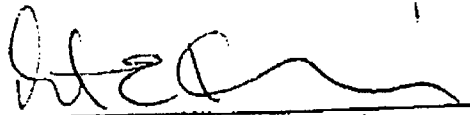
6. Denies each and every allegation contained in paragraphs "7", "8", "9", "10", "11", "12", of the Verified Complaint.

7. Denies knowledge or information sufficient to form a belief as to each allegation contained in paragraphs "14", "15 and "16" of the Verified Complaint.

WHEREFORE, Defendant demands judgment against Plaintiff:

- (a) dismissing the Complaint;
- (b) awarding Defendant the attorneys' fees, costs and disbursements of this action; and
- (c) awarding Defendant such other and further relief that this Court may deem just and proper.

Dated: Warwick, New York
January 16, 2007


ROBERT E. KRAHULIK, ESQ.
BONACIC, LoBIONDO & KRAHULIK, LLP
Attorneys for Defendant
90 Crystal Run Road, Suite 104
Middletown, New York 10941
(845) 703-3100

TO: Daniel Wade, Esq.
Rosicki, Rosicki & Associates, P.C.
Attorneys for Plaintiff
2 Summit Court, Suite 301
Fishkill, New York 12524

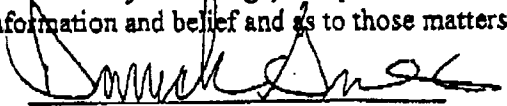
STATE OF NEW YORK)

SS:


COUNTY OF ORANGE)

Darrick Grimes, being duly sworn, says:

I am the defendant in the action herein; I have read the annexed Verified Answer, know the contents thereof, and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief and as to those matters, I believe them to be true.


Darrick Grimes

Sworn to before me on
January 16, 2007.


Notary Public

Victor Guzman, Esq.
02GUS011244
Orange County
Notary Public
Expires August, 2010

JUN-06-2007 16:17

BONACIC KRAHULIK

845 703 3110 P.26

☐ Certify that the annexed
has been compared by me with original and found to be a true and complete copy of.

☐ Attorney's
Certification
say that: I am the attorney of record, or of counsel with the attorney(s) of record, for
I have read the annexed

☐ Attorney's
Verification
by
Affirmation
know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief, and as to those matters I believe them to be true. My belief, as to those matters therein not stated upon knowledge, is based upon the following.

The reason I make this affirmation instead of

is

I affirm that the foregoing statements are true under penalties of perjury.

Dated:

(Print signer's name below signature)

STATE OF NEW YORK, COUNTY OF

ss:

being sworn says: I am

☐ Individual
Verification
in the action herein: I have read the annexed
know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged or information and belief, and as to those matters I believe them to be true.

☐ Corporate
Verification
the of
a corporation, one of the parties to the action: I have read the annexed
know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief, and as to those matters I believe them to be true.

My belief, as to those matters therein not stated upon knowledge, is based upon the following:

Sworn to before me on

, 20

(Print signer's name below signature)

STATE OF NEW YORK, COUNTY OF ORANGE

ss:

being sworn says: I am not a party to the action, am over 18 years of

Carol Ann Sciarra

age and reside at 10 S. Lynn Street, Warwick, NY 10990

On January 16

, 2007 I served a true copy of the annexed **Verified Answer**
in the following manner:

☒ Service
by Mail
by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last-known address of the addressee(s) as indicated below:

☐ Personal
Service
by delivering the same personally to the persons at the address indicated below:

☐ Service by
Electronic
Means
by transmitting the same to the attorney by electronic means to the telephone number or other station or other limitation designated by the attorney for that purpose. In doing so I received a signal from the equipment of the attorney indicating that the transmission was received, and mailed a copy of same to that attorney, in a sealed envelope, with postage prepaid thereon, in a post office or official depository of the U.S. Postal Service within the State of New York, addressed to the last-known address of the addressee(s) as indicated below:

☐ Overnight
Delivery
Service
by depositing the same with an overnight delivery service in a wrapper properly addressed. Said delivery was made prior to the latest time designated by the overnight delivery service for overnight delivery. The address and delivery service are indicated below:

Daniel Wade, Esq.
Rosicki, Rosicki & Associates, P.C.
2 Summit Court, Suite 301
Fishkill, NY 12524

Sworn to before me on January 16 , 20 07

Carol Ann Sciarra (Print signer's name below signature)

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTER ASSET BACKED SECURITIES
TRUST 2006-FRE1, Plaintiff

-against-

DARRICK GRIMES, YOLANDA GRIMES, BENECIRICAL HOMEOWNER SERVICE CORPORATION,
Defendants

VERIFIED ANSWER

BONACIC, LOBIONDO & KRAHULIK, LLP
Attorney(s) for Defendants, Darrick Grimes and Yolanda Grimes

90 CRYSTAL RUN ROAD, SUITE 106
MIDDLETOWN, NEW YORK 10941
(845) 703-3100

Pursuant to 22 NYCRR 130-1.1, the undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information and belief and reasonable inquiry, the contentions contained in the annexed document are not frivolous.

Dated: 6/16/07

Signature

Print Signer's Name Robert E. Krahulik

is hereby admitted.

Service of a copy of the within

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

Check Applicable Box

☐ NOTICE OF ENTRY

that the within is a (certified) true copy of a
entered in the office of the clerk of the within named Court on

20

☐ NOTICE OF SETTLEMENT

that an Order of which the within is a true copy will be presented for settlement to the
one of the judges of the within named Court,

Hon.
at
on

20

, at

M.

Dated:

BONACIC, LOBIONDO & KRAHULIK, LLP
Attorney(s) for Defendants, Darrick Grimes and Yolanda

90 CRYSTAL RUN ROAD, SUITE 106
MIDDLETOWN, NEW YORK 10941
(845) 703-3100

To:

Attorney(s) for

EXHIBIT C

23 Stacy Lee Drive
Newburgh, NY 12550
February 26, 2007

VIA REGULAR MAIL AND FACSIMILE

Mr. Lee R. Mitau (612) -303-0799
Executive Vice President, Secretary and General Counsel
U.S. Bancorp
800 Nicollet Mall
Minneapolis, Minnesota 55402

" C "

Fremont Investment & Loan (714) 961-5293
2727 E. Imperial Highway
Brea, California 92821
Attn: Ms. Maureen Barlow

State of New York (718) 8103
Banking Department
One State Street Plaza
New York, New York 10004-1417

Re: Loan No.: 1146013644 and Fremont Loan Nos. 6000182284 & 6000182284
Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

New York File No.: 07 M 6

Dear Mr. Mitau:

I am writing this letter to your attention for assistance in resolving a predatory lending issue and to bring to alert you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. Wells Fargo & Co. and/or America's Servicing Company sold, assigned or transfer the mortgage loan to your institution in February 2006.

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. We are pursuing our position that a fraudulent act was committed by WCS Lending LLC and Fremont and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions.

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to

believe that a lending institution may have established policies and procedures of shifting "credit rationing" – where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" – where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We are also requesting state and federal regulators to review America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather than denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We have discussed our situation with legal counsel and await a response from US Bancorp and America's Servicing Company. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter.

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 and July 1, 2006. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amend and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to re-negotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance:	\$339,660.58 (a)
Reduction of Interest Rate:	5.00%
Waive Interest Due:	\$30,198.40
Waive Late Fees:	\$1,583.64
Waive Recoverable Corporate Advance	\$1,522.87
Maturity Date	November 30, 2035 (Fixed 30 years)

Please review our proposed terms with US Bancorp and senior management of America's Servicing Company and advise us in writing on or before March 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on June 1, 2007.

We look forward to an amicable resolution in this matter.

Very truly yours,

Darrick Grimes

Yolanda Grimes

cc: U.S. Department Housing and Urban Development
U.S. Comptroller of Currency, Customer Service Group

(a) This amount reflects a deduction of \$67,264.28 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$40,505.43 mortgage interest paid year to date from Closing.

23 Stacy Lee Drive
Newburgh, NY 12550
March 7, 2007

VIA REGULAR MAIL AND FACSIMILE

Mr. Lee R. Mitau (612) -303-0799
Executive Vice President, Secretary and General Counsel
U.S. Bancorp
800 Nicollet Mall
Minneapolis, Minnesota 55402

Fremont Investment & Loan (714) 961-5293
2727 E. Imperial Highway
Brea, California 92821
Attn: Ms. Maureen Barlow

State of New York (718) 8103
Banking Department
One State Street Plaza
New York, New York 10004-1417
Attn: Carmen Gomez

Re: Loan No.: 1146013644 and Fremont Loan Nos. 6000182284 & 6000182284
Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

New York File No.: 07 M 6

Dear Mr. Mitau:

This letter shall serve the purpose to follow-up on my previous complaint and letter of February 26, 2007 and provide further supporting documentation that a predatory loan was originated by Fremont Investment and Loan in September/October 2005. WCS Lending LLC has responded to our complaint made to the New York State Banking Department and provided us with a copy of their New York Pre-Application Disclosure and Broker Fee Agreement and Good Faith Estimate, both dated September 13, 2005 and both were *fraudulently signed* by someone at WCS Lending LLC other than Darrick and Yolanda Grimes. As previously stated in prior communications and supported by e-mail communications and various closing documents provided by Fremont Investment and Loan the signatures do not match and were fraudulently signed by WCS Lending LLC or Fremont Investment and Loan. We signed the loan application provided by WCS Lending LLC on September 20, 2005 and again at closing on October 12, 2005, which was the first time we were able to examine the disclosure documents at Closing by Fremont Investment and Loan and WCS Lending LLC. We did not sign any pre-disclosure documentation or Good Faith Estimate with an interest rate of 8.0%. As a matter of fact the only pre-disclosure documentation we signed had an indicated interest rate of 7.0% interest rate and not 8.0%. Mortgage fraud and mortgage discrimination was committed by WCS Lending LLC and Fremont investment and Loan for failure to properly disclosed the true terms of the transaction, submitting falsified documentation to obtain a higher loan commitment, fraudulently signing borrowers name and signature to disclosure documents and increasing the disclosure interest rate from 7.0% to 8.45%, at closing sandbagging borrowers in front of Sellers without recourse and jeopardizing the borrowers good faith down-payment deposit.

Please review the prior communications and note that our signatures do not match or compare to any other the closing documents signed on October 12, 2005. Furthermore please review our signatures in comparison to the pre-disclosure documents that were provided by WCS Lending LLC to the final closing documents from Fremont Investment and Loan's response letter to the New York State Banking Department.

This is a classic case of Bait and Switch and WCS Lending LLC committed mortgage fraud and Fremont Investment and Loan directly or indirectly assisted this mortgage broker with such act or activities. Mortgage Fraud is a criminal act and I am immediately alerting you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. As previously stated by us WCS Lending submitted a fraudulent loan application to Fremont Investment and Loan and immediately sold, assigned or transfer the first mortgage to Wells Fargo & Co. and/or America's Servicing Company for mortgage servicing and sold, assigned or transfer the mortgage loan to your institution in February 2006.

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan on or about September 13, 2005 prior to the mortgage loan application being signed on September 20, 2005. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. As previously stated by Fremont Investment and Loan in their response letter the loans were approved on September 16, 2005 before we signed the loan application.

We will be pursuing our position that a fraudulent act(s) were committed by WCS Lending LLC and Fremont Investment and Loan and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect mortgage fraud. **In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions immediately.**

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" – where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" – where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We will be requesting state and federal regulators to review WCS Lending LLC and Fremont Investment and Loan for their unfair business practices and policies for criminal

behavior and activities in the mortgage markets. We are also going to request that America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers be re-evaluate in light of this new evidence. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather than denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We have discussed our situation with legal counsel and await a response from US Bancorp and America's Servicing Company. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter.

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 and July 1, 2006. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amended and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to re-negotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance: \$339, 660.58 (a)

Reduction of Interest Rate:	5.00%
Waive Interest Due:	\$30,198.40
Waive Late Fees:	\$1,583.64
Waive Recoverable Corporate Advance	\$1,522.87
Maturity Date	November 30, 2035 (Fixed 30 years)

Please review our proposed terms and advise us in writing on or before March 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on June 1, 2007.

We look forward to an amicable resolution in this matter.

Very truly yours,

/s/ Darrick Grimes

Darrick Grimes

Yolanda Grimes

cc: U.S. Department Housing and Urban Development
U.S. Comptroller of Currency, Customer Service Group

(a) This amount reflects a deduction of \$67,284.28 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$40,505.43 mortgage interest paid year to date from Closing.

23 Stacy Lee Drive
Newburgh, New York 12550
March 5, 2007

Consumer Complaints (Fax) 415-393-1962
Division of Banking Supervision and Regulation
Federal Reserve Bank of San Francisco
101 Market Street, Mail-Sop 945
San Francisco, California 94105

Federal Deposit Insurance Corporation (Fax) 703-812-1020
Consumer Response Center
2345 Grand Boulevard, Suite 100
Kansas City, MO 64108-2638

California Department of Financial Institutions
7575 Metropolitan Drive, Suite 108
San Diego, California 92108
Attn: Mr. Albert Marquez

Florida, Office of Financial Regulation
200 E. Gaines Street
Tallahassee, Florida 32399
Attn: Enforcement Division

Re: Fremont Investment and Loan; America's Servicing Company, WCS Lending LLC
and U.S. Bank, National Association, as Trustee for Master Asset Backed Securities
Trust 2006-FRE-1 as assignee and successor

Dear Consumer Complaint Units:

This letter shall serve the purpose to file a formal complaint against Fremont Investment and Loan, Fremont General Corporation and WCS Lending LLC for unfair acts and deceptive lending in the sub-prime loan market. This Complaint outlines the deceptive and unfair business acts of predatory lending and fraudulent loans conducted by Fremont.

"Why do you believe you are discriminated against":

1. Defendant, Fremont Investment and Loan ("Fremont"), is a wholly owned subsidiary of defendant, Fremont General Corporation, a banking holding company and financial holding company, a publicly

held company traded on the New York Stock Exchange (except where otherwise noted, both defendants are collectively referred to as "Fremont or "Fremont General").

2. From at least 2000 until present, Fremont's business has included regularly engaging in residential real estate-related transactions and regularly extended credit to persons. Fremont's home mortgage loans are residential real estate-related transactions within the meaning of the Fair Housing Act, 42 U.S.C. § 3605, Fremont is a creditor as that term is defined by section 702 (e) of the Equal Credit Opportunity Act, 15 U.S.C. § 1692a(e), and therefore, subject to the requirements of the Equal Credit Opportunity Act and its implementing Regulation B, as amended, 12 C.F.R. Part 202, in effect on or after March 23, 1977.
3. Fremont's brokers ("*WCS Lending LLC*") are entities that bring borrowers and Fremont together for the borrower to obtain mortgage loans, Fremont solicits and receives applications for credit, primarily through mortgage brokers who submit home mortgage loan applications from potential borrowers. Such broker submissions are referrals under the Real Estate Settlement Procedures Act and its implementing regulations, 24 C.F.R. 3500.14(f).
4. The persons on whose behalf such credit applications are submitted are applicants as that term is defined by Section 702(b) of the Equal Credit Opportunity Act, 15 U.S.C. §169(b).
5. Fremont underwrites each loan submitted to it by its brokers, if it approves the application; the loan is funded in Fremont's name. The actions by Fremont and its brokers in the origination and making of the mortgage loan constitutes a settlement service as defined by the Real Estate Settlement Procedures Act, 12 U.S.C. § 2602(3).
6. Fremont brokers' fees are paid in three different ways, with all costs ultimately borne by the borrower: (a) through "up-front" charges, fees, or points, with points being a percentage of the loan amount paid to the broker (usually at closing from the proceeds of the loan); (b) through "back-end" fees (also called "yield spread premiums"), whereby the borrower accepts an interest rate that is higher than Fremont's par interest rate and Fremont makes a direct payment to the broker for securing the higher-than-par loan; and (c) through "miscellaneous" fees, which are usually paid out of loan proceeds.
7. Fremont is responsible for the fees charged to borrowers for its loan. It individually underwrote and funded each loan, it approved each loan fee paid to a broker, and it aided its brokers in obtaining unearned fees described herein. With respect to a substantial portion of the loans, Fremont was aware that little or no services were being performed in exchange for the broker charges. Further, Fremont review and knew that the total of the broker compensation did not bear a reasonable relation to the level of the goods and services that the brokers provided or performed. In fact, Fremont aided its brokers in obtaining the unearned fees described herein by approving mortgage loan applications and performing many of the services for the brokers.
8. Fremont also frequently gave its broker a portion of the broker fees in connection with a mortgage loan in the form of a yield spread premium, when no nominal

services were actually performed. In addition, such payment constituted the giving of a thing of value in exchange for the referral of loan business.

9. Fremont's brokers typically charged fees ranging from 1 to 5 percent or more of the total amount borrowed. Fremont's borrowers, particularly those who were charged high fee amounts, seldom had the cash on hand with which to pay all of the brokers' fees. Therefore, the borrowers' loan amounts were increased to cover the high fees. The increased loan proceeds provide Fremont with additional profit and with a mechanism through which to pay its brokers. In doing so, Fremont directly or indirectly gave a portion of the loan proceeds to its mortgage brokers to pay charges for which nominal services were rendered.
10. Fremont has subjected its African American female borrowers to terms and conditions for home mortgage loan that resulted in those borrowers paying more for their loans than similarly situated white male borrowers.
11. Fremont's brokers received their fees without regard to risk that the borrower would default on the loan, and no part of the broker fees referred to herein related to the credit risk presented by the borrower.
12. Fremont has often approved loans without regard to a borrower's ability to repay when prudent underwriting criteria, such as debt-to-income ratios, residual income, and repayment history, would have indicated that the borrower would likely have difficulty repaying the loan. Fremont has approved loans where the borrower's debt payments would consume more than half of the borrower's total pretax income, and in many instances would leave the borrower with less than adequate income for living expenses. Fremont has approved mortgage loans that cause the borrower's monthly debt payments to increase, despite Fremont's knowledge of the borrower's past inability to meet the lower prior monthly payments. In many cases, there were no changes in the borrower's circumstances or other evidence to suggest that the borrower would be able to meet the newer and more onerous requirements. Fremont's practice of approving loans without regard to borrower's ability to repay has exposed borrowers to unwarranted risk of default and foreclosure.
13. Fremont's policies and practices, as alleged herein constitute:
14. Discrimination on the basis of race and sex in making available residential real estate-related transactions in violation of Section 805 of the Fair Housing Act, 42 U.S.C. § 3605(a); and
15. Discrimination against applicants with respect to credit transactions, on the basis of race and sex in violation of the Equal Credit Opportunity Act, 15 U.S.C. § 1691 (a)(1).
16. The defendants' policies and practices constitute:
17. A pattern or practice of resistance to the full enjoyment of rights secured by the Fair Housing Act, as amended, 42 U.S.C. §§ 1691-1691f; and
18. A denial of rights granted by the Fair Housing Act, as amended, to a group of persons that raises an issue of general public importance.
19. Persons who have been victims of Fremont's discriminatory policies and practices are aggrieved persons as defined in the Fair Housing Act and Equal Credit Opportunity Act, and have suffered damages as a result of the Fremont's conduct as described herein.
20. Fremont's discriminatory policies and practices were intentional and willful, and

were implemented with deliberate disregard for the rights of African American women.

21. Fremont's policies and practices, as alleged herein constitute:
22. The giving of a kickback or thing of value for the referral of settlement service business involving a federally related mortgage loan in violation of Section 8(a) of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2607(a); and
23. The giving of a portion or percentage of a settlement service charge involving a federally related mortgage loan other than for services actually performed in violation of Section (8)(b) of the Real Estate Settlement Procedures Act, 12 U.S.C. §2607(b).
24. In conducting its home mortgage lending operations, Fremont has chosen to serve the "subprime" or "B/C" mortgage loan market. As a subprime lender, Fremont hold itself out as willing to approve and fund loans to borrowers who have flawed credit histories and/or debt-to-income ratios that are higher than those deemed acceptable in the "A" or "conforming"
25. Fremont's violation of the Fair Housing Act, Equal Credit Opportunity Act, HOEPA and TILA have injured its borrowers and, absent injunctive and other relief entered by this court, are likely to continue to injure borrowers and harm the public interest.

Please review the following summary of events:

1. This complaint only address the factual circumstances that affect the borrowers Darrick and Yolanda Grimes and the property address at 23 Stacy Lee Drive, New burgh, New York 12550.
2. Fremont Investment and Loan was the originator of the loan which mortgage application was prepared and submitted by WCS Lending LLC ("WCS Lending" or "mortgage broker") on or about *September 12, 2005*. The closing date for the purchase of the property located at 23 Stacy Lee Drive, Newburgh, New York was on *October 12, 2005*. The first time we saw the final mortgage commitment letter issued by Fremont Investment and Loan was on *October 12, 2005* the day of the closing. The Mortgage Servicing Transfer of the first mortgage was transfer to America's Servicing Company in the month of *February 2006* without proper notice under the Real Estate Settlement Procedure Act a clear violation and, U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor became the first mortgage holder. While Fremont Investment and Loan retained the second mortgage.
3. Fremont Investment and Loan and WCS Lending LLC, the mortgage broker engaged in deceptive and unfair acts under the Section 5(a) of the Federal Trade Commission Act with misrepresentation and conducting mortgage fraud with the mortgage application and inflating incomes to seek approval on a higher mortgage and by purposely discriminating against minorities and women by imposing different loan terms to the borrowers without proper disclosure. Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Federal Reserve Board Regulation B, 12 C.F.R. part 202. and based upon race and sex a clear violation of the Fair Housing Act, 42 U.S.C. §§ 3605 and Equal Credit Opportunity Act 15 U.S.C. §§1692a(e). Fremont Investment and Loan and WCS Lending provided false and misleading information on the mortgage application to obtain a higher mortgage

- loan approval based upon the borrower's equity in the home and not based upon the borrowers' ability to repay the loan based upon documented income engaged in deceptive and unfair acts by not properly disclosing the true terms of the loan until the closing a violation of Truth in Lending Act. When brokers deliver a loan with an inflated interest rate (i.e., higher than the rate acceptable to the lender), the lender often pays a "yield spread premium" -- a kickback for making the loan more costly to the borrower. Section 8 of RESPA, 12 U.S.C. § 2607, and Regulation X, 24 C.F.R. §3500.14, prohibit referral fees and kickbacks. The Truth In Lending Act requires disclosure of all essential terms, including finance charges, the finance charge express as an annual percent rate, and the total of all loan payments be provide prior to closing a transaction to allow the potential borrower the opportunity to review such terms. In the case of Fremont Investment and Loan and WCS Lending they intentionally failed to provide a proper disclosure of the true terms until the Closing date and misrepresented terms of the mortgage loan by relying upon the preliminary disclosure interest rate. Failure by a lender to provide the essential terms of a loan transaction is a direction violation of the Truth in Lending Act. A lender shall not make a high risk home loan if the lender does not believe at the time the loan is consummated that the borrower or borrowers will be able to make the scheduled payments to repay the obligation based upon a consideration of their current and expected income, current obligations, employment status and other financial resources (other than the borrower's equity in the dwelling that secures repayment of the loan). A borrower shall be presumed to be able to repay the loan if, at the time the loan is consummated, or at the time of the first rate adjustment in the case of a lower introductory interest rate, the borrower's scheduled monthly payments on the loan (including principal, interest, taxes, insurance and assessments), combined with the scheduled payments for all other disclosed debts, do not exceed 50% of the borrower's monthly gross income." The lender is required to verify the borrower's ability to repay the loan. Minimum verification requirements include:
4. America's Servicing Company violated the Real Estate Settlement Act by failing to timely pay the property taxes from the escrow account and by failure to respond and acknowledge the borrowers qualified written request for information about servicing of the loan and escrow account and property taxes for nine months in 2006.
 5. U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor is in the practice of acquiring sub-prime loans from sub-prime lenders who actively engage in deceptive and unfair acts or practices of predatory lending and therefore indirectly benefits from the violations of the originator of these types of loans and attempts to enforce the terms of a loan that have been misrepresented to the borrowers in the beginning a clear violation of the Federal Trade Commission Act, the Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Federal Reserve Board Regulation B, 12 C.F.R. part 202 based upon mortgage discrimination based upon race and sex a clear violation of the Fair Housing Act, 42 U.S.C. §§ 3605.

Fremont Investment and Loan and WCS Lending intentionally misrepresented the true term of the mortgage until the day of the closing to conduct mortgage fraud. From September 13, 2005 until October 12, 2005 the interest rate and monthly mortgage payments were withheld from the borrowers intentionally to avoid last minute cancellation of the Closing and to sandbag the borrowers at the Closing with the Sellers. The initial interest rate disclosure of 7.0% to the final set interest rate of 8.45% should have been properly disclosed in the mortgage commitment letter of Fremont Investment & Loan prior to October 12, 2005.

Under normal circumstance borrowers would have been able to shop for a competitive interest rate if the commitment letter was provided by the lender in a timely manner.

WCS Lending LLC and Fremont Investment and Loan purposely withheld essential information regarding the terms of the loan and inflated and or falsified the mortgage application solely for their own financial purpose and to defraud and to equity strip valuable home equity in the borrowers home.

If you have any questions, please do not hesitate to contact me at 845-562-0450 or via e-mail at darrickgrimes@aol.com.

Very truly yours,

/s/ Darrick Grimes

Darrick and Yolanda Grimes

VIA FACSIMILE (714) 961-5293

March 21, 2007

Fremont Investment & Loan
2727 E. Imperial Highway
Brea, California 92821
Attn: Ms. Maureen Barlow

State of New York
Banking Department
One State Street Plaza
New York, New York 10004-1417

(C D)

Re: New York File No.: 07 M 6
Fremont Loan Nos. 6000182284 & 6000182284

Dear Ms. Barlow:

I have reviewed your responses to our complaint to the New York State, Banking Department and the New York State, Executive Department Division of Human Right.

Please be advised and note that WCS Lending LLC "(WCS Lending") has responded to our complaint and produced supporting documentation for their response. A carefully examination of WCS Lending supporting documentation provides evidence of our complaint that mortgage fraud was committed and that the mortgage application and pre-disclosure documents were forged signatures. Mortgage Fraud was committed in obtaining the mortgage loan from Fremont Investment and Loan and this matter will be referred to the criminal divisions of the state and federal governmental regulatory agencies.

In addition to forging our signatures on the documents, the Sellers signatures were forged on the Contract of Sale to give the appearance of earlier negotiations with the lender in this case, Fremont. One of the Sellers just happens to be a tax attorney licensed in the State of New York and he will provide supporting evidence that the signature on the Residential Contract of Sale and Amendment to Contract of Sale are not their signatures and will take legal action on all parties that forged his signature along with his wife. It appears that the classic **Bait and Switch** act was performed either by WCS Lending or Fremont prior to the Closing Date of October 12, 2005.

It appears that WCS Lending has back-dated certain documents to provided supporting evidence of their obtaining approval from Fremont before September 20, 2005 the date the mortgage application was signed. WCS Lending prepared two sets of mortgage applications and submitted the application directly to Fremont.

The total broker fees paid to WCS Lending were \$10,125.00.

The total fees paid to WCS Lending LLC were as follows:

- Mortgage broker fee \$4,050
- Yield spread premium \$6,076

This "mortgage broker fee" presumably was for acting as the representative (hence the term "broker") of the borrowers and was payable by the borrowers. The "yield spread premium" is a euphemism for a kickback paid by a lender to a mortgage broker for bringing to it a loan for which it can charge a high interest rate, high closing fees, or both. These two separate fees paid to WCS Lending LLC were unearned, excessive, and the product of illegal conduct. They show that it was being paid by both lender and borrowers, that it was attempting to act as the representative of both parties, and thus it was acting unfaithfully to the borrowers.

It should be noted that Fremont only disclosure prior to the Closing Date of October 12, 2005 was a small notation of **Broker Yield Spread Premium: 0-3% of Loan Amount.**

- **Mortgage Broker's Fees and Kickbacks.** Predatory mortgage lenders also originate loans through local mortgage brokers who act as "bird dogs", or finders for the lenders. These brokers represent to the homeowners that they are working for them to help them obtain the best available loan, and the homeowners usually pay a broker's fee. In fact, the brokers are working for predatory lenders, who pay brokers kickbacks to refer borrowers for loans at higher interest rates than those for which the borrower would otherwise qualify. On loan closing documents, the industry uses euphemisms to describe these referral fees: yield spread premiums and service release fees. Also, unbeknownst to the borrower, their interest rate is increased to cover the fee. The industry calls this bonus up selling or par-plus premium pricing; we call it paying unlawful kickbacks.

I have attached for your review a copy of the loan application signed on **September 20, 2005** by the borrowers and deliver to WCS Lending for submission to the Fremont. Please note that the application was signed on **September 20, 2005 along with the NYS Pre-Disclosure Documents and Good Faith Estimate** as provided by WCS Lending with a **stated interest rate of 7.0%** and not **8.0%** as provided by WCS Lending to the NYS Department of Banking with a **forged signatures** of Darrick Grimes and Yolanda Grimes, dated **September 13, 2005.**

Your letter also indicates that a second set of disclosures were mailed to the borrowers on **October 11, 2005 the day before Closing.** Because of federal statutes, the pre-disclosures are to be mailed to the consumers within three days. If pre-disclosures were mailed in a timely manner to the consumers prior to the Closing Date of **October 12, 2005**, then the consumers would have ample opportunity to review the second set of disclosures prior to the Closing Date. Perhaps Fremont can offer an explanation on why the set second of pre-disclosures were mailed to the borrowers the day prior to the Closing Date of **October 12, 2005**, if indeed both loans were approved on or about **September 16, 2005.** Please provide me with documentation on approval of the loans in September 2005 and all communications with WCS Lending and a time-line on when Fremont provided a mortgage commitment letter to WCS Lending approving above-referenced loans. A review of your Loan Tracking Status indicates that the loan was denied. Date of Action Taken: 10/17/05 five days after closing of the loan. Reason for Denial: Number 3 - Credit History.

Which indicates that a fraudulent mortgage application was submitted to Fremont by WCS Lending? The pre-disclosures sent by Fremont were not made timely to the borrowers and application that we signed on September 20, 2005 is certainly not the same application signed during closing on October 12, 2005. As a matter of fact the HUD-1 Settlement Statement faxed on October 11, 2005 was illegible and not reviewed by the borrowers until October 12, 2005, at which time the disclosure of the yield premium spread of \$6,075 was noticed. This conflict of interest was created by Fremont and supported by WCS Lending to establish the very foundation of predatory lending.

Predatory lending in the sub prime mortgage market covers a wide range of practices. While the practices are quite varied, there are common traits. They generally aim either to extract excessive fees and costs from the borrower or to obtain outright the equity in the borrower's home. This is often accomplished through a combination of aggressive marketing practices, high-pressure sales tactics, and loan terms, such as prepayment penalties, that inhibit a borrower's ability to go elsewhere for credit.

Fremont's responses indicated that all disclosures were made in a timely manner and that the bulk of the complaint appears to involve representations made by the broker, WCS Lending. Fremont has a legal responsibility to provide consumers and borrowers with accurate Truth in Lending Disclosures and Good Faith Estimates that will ensure that borrowers know exactly the terms of a loan prior to closing.

The original Truth in Lending Disclosure Statement reveals an annual percentage rate of 5.167%, with the amount of payments beginning at \$2,694.48 for the first 24 payments. **(Dated 9/13/2005)**

The actual Truth in Lending Disclosure Statement shows an annual percentage rate of 10.711%, with the amounts of payments beginning at \$3,099.76 for the first 24 payments.
(Dated 10/12/2005)

What information the application does contain about the income of the borrowers is mistaken. It shows monthly net rental income in the amount of \$1,076. This entry is false because no monthly rental income was being collected in the primary residences of the borrowers. The relevant income of the borrowers is based on net or disposable income, not a fictitious rental income supplied by WCS Lending. As a matter of fact, the borrowers had their primary residence in Contract with a potential buyer at the same time the purchase transaction was going on. A review of Fremont underwriting guidelines clearly should be reviewed going forward with state and federal regulatory. Based upon monthly payments beginning on December 1, 2007, borrowers would have to make payments in the amount of \$3,669.91 excluding real estate property and school taxes based upon the income supplied on the application.

- **Making Unaffordable Loans.** Some predatory mortgage lenders purposely structure loans with monthly payments that they know the borrower cannot afford so that when the homeowner is led inexorably to the point of default, she will return to the lender to refinance the loan, and the lender can impose

additional points and fees. Other predatory mortgage lenders, called hard lenders, intentionally structure the loans with payments the homeowner cannot afford in order to lead to foreclosure so that they may acquire the house and the valuable equity in the house at a foreclosure sale.

- Lending more than the borrower can afford. HUD guidelines say that shelter costs, including utilities, should not exceed 40% of a borrower's income. Most borrowers would not take on more debt than they could possibly handle, but sub-prime lenders often stretch borrowers far beyond that. In our case the mortgage payments would exceed more than 40% of net income and thus leave borrowers with just barely enough funds to manage utilities, in a drafty houses and out-of-sight heating bills.
- Lending more than the value of the property. It is clear that WCS Lending was able to obtain an artificially high appraisal on the home because two months later, the house appraised at \$10,000 to \$20,000 than the purchase price. Often this is done by bringing in an artificially high appraisal on the house, done by an appraiser "in cahoots" with the lender or mortgage broker, sometimes comparing it to other recent sales of properties that are larger, in better condition, or in more upscale neighborhoods. The buyer is then really stuck, because they can't re-sell the house for anywhere near that amount if they run into trouble.
- Inflated closing costs. Borrowers have been charged much more than the going rate for closing cost items such as title search, appraisal, termite inspection, lawyers' fees and credit check. These services may even be provided by people working for the lender.

Among the most harmful of these predatory lending practices is "equity-stripping." This often begins with a loan that is based on equity in a property rather than on a borrower's ability to repay the loan -- a practice known as "asset-based lending." As a general rule, loans made to individuals who do not have the income to repay such loans usually are designed to fail; they frequently result in the lender acquiring the borrower's home equity. The borrower is likely to default, and then ultimately lose her home through foreclosure or by signing over the deed to the lender in lieu of foreclosure. Such a scheme is particularly damaging because these vulnerable borrowers often have no significant assets except the equity in their homes.

We will send you a copy of WCS Lending response under separate cover, along with copies of the actual signed documents by both Buyers/Borrowers and Sellers.

Very truly yours,

Darrick Grimes

Yolanda Grimes

23 Stacy Lee Drive
Newburgh, NY 12550
March 29, 2007

VIA REGULAR MAIL AND FACSIMILE (718) 741-8166

Ms. Natasha Saxon
Ms. Iris Carrasquillo
State of New York
Executive Department
Division of Human Rights
One Fordham Plaza, 4th Floor
Bronx, New York 10458

40ⁿ

State of New York
Banking Department
One State Street Plaza
New York, New York 10004-1417
Attn: Carmen Gomez

Re: Case No.:10115874

Dear Ms. Saxton:

This letter shall serve as our formal written response (rebuttal) against the Respondent in the above-referenced case. WCS Lending LLC ("WCS Lending") and Fremont Investment and Loan ("Fremont") have respectively submitted their response to our complaint made to the New York State, Executive Department, Division of Human Rights and provided you with copies of the Uniform Residential Loan Application (*8.0% interest rate*), New York Pre-Application Disclosure and Broker Fee Agreement and Good Faith Estimate, all dated September 13, 2005 for reference.

First, as a matter of establishing the truth in this case and elaborating on the factual basis for mortgage fraud and mortgage discrimination, we stated categorically that the documents produced by WCS Lending, dated September 13, 2005 are forged documents ("Forged Documents"). The Good Faith Estimate, the New York Pre-Application Disclosure and Broker Fee Agreement and the Uniform Residential Loan Application were *fraudulently signed* by someone at WCS Lending or Fremont on September 13, 2005. As previously stated in prior communications and supported by the various closing documents provided by Fremont the signatures do not match any of the closing documents signed on October 12, 2005 as submitted by Fremont. The *Forged Documents* that WCS Lending produced to support their written response, also are the same forged documents that, Fremont is relying upon to approve the two loans without our the borrowers prior knowledge. We have carefully examined the Forged Documents and the Cohen's signatures (the "Sellers") have also been fraudulently signed to an undated Residential Contract of Sale and the Amendment to Contract. (See Annex I -Forged Documents). The Residential Contract of Sale is dated August 12, 2005 and the Amendment to the Contract is dated September 14, 2005 for the record.

Second, as a matter of factual statement, we attaching the first and only Initial Disclosures received from WSC Lending a Pre-Qualification Letter, dated September 12, 2005,

which was addressed to Yolanda Grimes, outlining the pre-qualifying financing and indicating that her excellent credit, income and assets would qualify for a loan up to amount of \$440,000:

On September 13, 2005, Yolanda Grimes received the loan application package from WCS Lending on their letterhead, dated September 13, 2005, requesting for various documents to support the loan application. Included in the loan application package was the following: a prepared Uniform Residential Loan Application (7.0% interest rate), Good Faith Estimate (7.0%), the Truth in Lending Disclosure Statement, New York Pre-Disclosure and Broker Fee Agreement and other disclosure documents. Now, between September 12, 2005 and September 20, 2005, WCS Lending made a request to Yolanda Grimes that her husband, Darrick Grimes should become a co-signer to the loan application to strengthen the approval process of loan.

We signed the first loan application, which was prepared and provided by WCS Lending LLC on September 20, 2005 and submitted back to the mortgage broker on the same day. We signed a second loan application as part of the Closing transaction on October 12, 2005, which was the first disclosure we noticed that we had a higher interest rate of 8.45%. We strongly disagree with all statements made by Fremont regarding receiving a disclosure notice prior to October 12, 2005. The interest rate was revised upward to a higher level and no written notice or communication was given by WCS Lending or Fremont until at Closing. Fremont alleges to have mailed a letter dated October 11, 2005 via regular mail stating that the rate would change but does not state whether the letter was prior to the Closing Date of October 12, 2005. Fremont intentionally mailed notification late to avoid the borrowers trying to negotiate a better rate or better yet canceling the transaction. The Grimes strongly denies receiving any notification letter from Fremont and if so the letter was received more than five (5) days after closing. (See Annex II).

The Grimes denies and disagrees with Fremont regarding the mailing of two sets of Initial Disclosure documents, particularly since according to Fremont the two loans were approved on September 16, 2005 prior to their knowledge of the terms of the loans. Furthermore, neither Fremont nor WCS Lending has produced any written correspondence addressed to the Grimes indicating that a mortgage loan was approved on a certain date or approval was obtained on a certain date or a signed mortgage commitment letter was issued to the Grimes outlining the terms of the two mortgage loans and the condition when the mortgage commitments will expire.

Fremont and WCS Lending written responses rely solely upon *Forged Documents* submitted by WCS Lending on September 13, 2005. The Grimes denies and disputes all statement made by Fremont and WCS Lending regarding signing a loan application on September 13, 2005. We restate again, that any loan application, pre-disclosure documentation or Good Faith Estimate with an indicated interest rate of 8.0% is fraudulent signed by either WCS Lending or Fremont. As a matter of fact the only pre-disclosure documentation we signed had an indicated interest rate of 7.0% interest rate and not 8.0%.

In responding to WCS Lending's written response we simply referred to the documents submitted by WCS Lending see Annex I – "Mortgage Fraud" and "Bait and Switch" Scheme.

The Grimes disagrees with the statement made by Fremont regarding the approval of the loan based upon on false documentation. First, the loan application submitted by WCS Lending was a *Forged Document* see Annex I. Secondly, the loan application lists our primary residence or home under Section VI. Assets and Liabilities as "Type of Property –Multi" and "Rental Property" with Gross Rental Income as \$4,400.00 and Net Rental Income as \$1,076.00, which is a false statement. Under Section V. Monthly Income and Combined Housing expenses Information – Net Rental Income is listed as \$1,076.00, which is a false statement. Our primary

house was listed on market in July 2005 with Langer Realty Group for sale at the purchase price of \$440,000. See documents attached to Annex III.

In reference to statements made by Fremont and WCS Lending, we are providing copies of the actual signed documents for verification of the signatures of the Sellers and the Buyers/Borrowers (Grimes): (a) Residential Contract of Sale, dated August 12, 2005, (b) Durable Power of Attorney for the Sale of the House- 188-19 104th Avenue, St. Albans, New York, (c) Washington Mutual Bank – Pre-Approval Letter, dated July 13, 2005, (d) Easy Lifestyle Real Estate Agency Binder Letter, dated July 11, 2005, outlining the Purchase price and Terms of the Transaction, (e) Affidavit of Seller (Ronald J. Cohen, Esq.) as evidence of forged signature of Seller. With respect to the Forged Documents, please note that certain dates were inserted into various documents as a deceptive practice and false pretense of timing of the transactions.

We are also attaching for you review the Initial Loan Disclosures delivered by WCS Lending via Fremont: (a) WCS Lending Pre-Qualification Letter, dated September 12, 2005 addressed to Yolanda Grimes, as a creditworthy borrower. As indicated in the letter, "pre-qualifying financing – Specifically, your credit and assets are excellent and your income conforms to our investor guidelines", (b) Uniform Residential Loan Application-Principal Amount \$405,000; Interest Rate – 7.0%; No. of Months – 360/360; Arm 2/28. See documents attached to Annex II.

Mortgage fraud and mortgage discrimination was committed by WCS Lending and Fremont for failure to properly disclose the true terms of the transaction in writing prior to closing and submitting **Forged Documents** to obtain a loan commitment without the borrower's prior knowledge. They fraudulently signing borrowers name and the Sellers signature to Residential Contract of Sale, and other related contractual documents to give appearance of a mutually agreed upon transaction and to established a false time frame.

The Grimes disagrees and categorically denies the statements made by Fremont that two sets of disclosure documents were mailed to the Grimes, which increased the initial interest rate from 8.0% to 8.45% prior to closing on October 12, 2005. See Annex II for a copy of the letter Fremont allegedly mailed on October 11, 2005.

The Grimes denies all statement made by Fremont and WCS Lending regarding providing proper written disclosure and timely notification in writing from Fremont and WCS Lending. Fremont and WCS Lending intentionally sandbagged the borrowers at closing in front of Sellers without prior notification or recourse to negotiate the terms of the loans or seek another lender. Furthermore Fremont and WCS Lending placed the borrowers in an uncompromising position with the Sellers that could have jeopardized the borrowers' good faith deposit of \$20,000.00. Neither, WCS Lending or Fremont has explained the fact that a loan application and Good Faith Estimate was prepared with a stated interest rate of 7.0% with the exact same information as the forged document of September 13, 2005. The respondent has also not produced any written documentation stating that the interest rate has increased from 7.0% to 8.0% or that the interest rate increased from 8.0% to 8.45%.

"Bait and switch". You know the term. It is most commonly used when a retailer advertises a great sale on a large screen television or new car. When the buyers flock to his store, that item is sold out or the ad was a mistake. However, the retailer has something? Almost as good? That he will let go at a steal to make up for the confusion. Well this practice is rampant in mortgage lending as well.

Here is the scenario in our case of bait and switch.

The Grimes commits to a mortgage under a set of terms: a certain interest rate (7.0%), a fixed or adjustable mortgage with a specified frequency and method of adjustment; length of loan; and so forth. Then, at the closing table, the borrower realizes that the loan documents specify a higher interest rate (8.45%), a two year adjustment, with a larger monthly mortgage payment or other terms to which the borrower would not certainly had agreed upon.

The loan originator does not answer his cell phone, the moving van is loaded, and the sellers are beginning to look real unhappy. Under such pressure, the borrower signs the documents while swearing to get the mess straightened out. But with a signed note and mortgage, it is now a legal issue that will take time and money and perhaps the courts to sort out. This is the classic case of Bait and Switch and WCS Lending committed mortgage fraud and Fremont assisted this mortgage broker with such act(s). Mortgage Fraud is a criminal act and we are immediately alerting you that a fraudulent loan transaction took place on October 12, 2005 involving Fremont and WCS Lending.

The Grimes disagrees and categorically denies all statements made by Fremont regarding the submitting of a signed loan application for the purchase of a home via their broker based upon the fraudulent documents attached to Annex I.

The Grimes disagrees and categorically denies all statements made by Fremont regarding prior inquiring about the terms of the loan. As previously stated, WCS Lending submitted a fraudulent loan application to Fremont without our prior knowledge. Than Fremont immediately sold, assigned or transfers the first mortgage to Wells Fargo & Co. or America's Servicing Company for mortgage servicing within 90 days before we could detect the fraudulent activities. Several telephone calls were to Fremont regarding the first and second mortgages in January and February 2006. As a matter of fact, after being sandbagged at the Closing on October 12, 2005, WCS Lending gave verbal assurance that the two mortgages could be refinance in January 2006. Between December 2005 and January 2006, Fremont and WCS Lending gave us nothing but lip service about the loan terms and refinancing terms. Attached please find a Fremont letter dated March 6, 2006, acknowledging our request for closing and loan documentation for the transaction that closed on October 12, 2005.

The Grimes disagrees and categorically denies all statements made by Fremont regarding approval of the loan was based solely upon the origination of the mortgage without regard to the borrower's ability to repay the loan and thus strip valuable equity from their home. We are attaching a copy of an Order to Cease and Desist (Docket No. FDIC-07-035b) issued by the Federal Deposit Insurance Corporation on March 7, 2007 and a recent article from The New York Daily News, dated March 21, 2007, that supports our complaint regarding Fremont's mortgage underwriting loan criteria. If forged documents were submitted to gain loan approval, the whole process was tainted and borrowers never had a true opportunity to seek better loan terms from another lender. Thus the true essence of mortgage discrimination against minority customers denies certain group of customers from seeking and obtaining the best loan terms that they qualified. Deceptive acts and unfair practices forms the underlying principals of predatory lending and mortgage discrimination and denies minority customers with equal and fair lending avenues based upon the same criteria of other applicants.

Fremont structured two mortgage loans based upon the lower credit score of the-one borrower that would eventually and substantially increase the likelihood of loan default. Based

upon the documented income of the Grimes' paychecks statements stubs provided to WCS Lending and Fremont: Gross Income was \$8,471.64 and Net Income was \$5,395.64 at the time of the loan underwriting and approval of the two mortgages. This would leave a shortfall of \$2,249.00 based upon Gross Income and \$5,325.00 based upon Net Income if Fremont just made some basic math calculations based upon verified income documentation (excluding the phantom monthly rental income of \$1,076.00). Certainly, WCS Lending did the income calculations to derive a monthly income of \$10,720.00 because they prepared the loan application. The loan application was prepared by WCS Lending with the inflated income amounts of \$10,720.00 (borrower and co-borrower) including the phantom monthly rental income, to make sure the debt to income ratio would fall under the Fremont's underwriting criteria of 46.278% and the property's loan to value ratio of 95% (90% LTV on the First Mortgage and 5% LTV on the Second Mortgage). We are attaching a copy of the Residential Contract of Sale to support our complaint that our primary house was on the market to be sold in conjunction with the purchase of the home in Newburgh, New York and was not used as Rental Property. (See Annex III). As stated by Fremont in their written responses, they had direct communications with the mortgage broker, WCS Lending and should have requested documentation of the income of the borrowers. Please note that at the time of the loan application the co-borrower had been working part-time for the prior 18 months and WCS Lending was fully advised prior to borrowers signing the loan application on September 20, 2005.

At the underwriting stage, Fremont has complete and total decision making authority for deciding whether to approve or decline a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" – where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" – where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We will be requesting state and federal regulators to review WCS Lending and Fremont for their unfair business practices and policies for criminal behavior and activities in the mortgage markets. We are also going to request that America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers be re-evaluate in light of this new evidence. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather than denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

We strongly believe that fraudulent act(s) were committed by WCS Lending and Fremont and that the contractual obligations should be null and voided and any liens established by these predatory and mortgage discrimination loans should be modify to reflect mortgage fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions immediately.

With respect to America's Servicing Company and U.S. Bancorp's written response, we acknowledge that they individually and collectively they did not participate nor have any part in the origination of our loans or were involved in the mortgage discrimination in the origination loan process. However, we strongly stated again that several mortgage fraudulent act(s) or activities did take place in the origination process of our loan and, each party now either directly or indirectly is a mortgage loan servicing company, in the case of America's Servicing Company or in the case of US Bancorp (U.S. Bank National Association in its capacity as a Trustee for a master Asset backed Securities Trust 2006-FRE-1 is holding the fraudulent loan as collateral or for better illustration in the possession of stolen goods or ill gotten gains (stolen property) and thus should not be able to hold such property legal.

We respectfully request that a full judgment in the entire amount of the two mortgages originated by Fremont and brokered by WCS Lending be awarded to the borrowers in this matter.

Very truly your,

Yolanda Grimes

Darrick Grimes

Page 1 of 1

Grimes, Derrick

From: Grimes, Derrick
Sent: Friday, April 27, 2007 11:50 AM
To: 'financialjustice1@aol.com'
Subject: Wells Fargo & Co. and America's Servicing Company

-----Original Message-----

From: Grimes, Derrick
Sent: Thursday, April 12, 2007 4:49 PM
To: 'CFR'
Subject: RE: Complaint Letter re WCS Lending LLC

Finance Enforcement Department

I have forward our complaint letters regarding a mortgage fraud committed by WCS Lending LLC (forged signatures) and Fremont Investment and Loan and our attempt to resolve or modify a fraudulent loan transfer to a Wells Fargo's subsidiary within 90 days of closing the transaction. In this particular matter our mortgage broker (WCS Lending LLC) and lender (Fremont Investment and Loan) have performed a classic "Bait and Switch" scheme where our signatures were forged on one set of disclosure documents including the loan application and we signed a different set of disclosure documents and loan application with different terms (interest rates) for the loan only to find out at closing we were signing for a mortgage with higher interest rates. The loan application contained phantom rental income on the house we were selling in Queens, New York and inflated incomes to qualify for the loan approval submitted by the mortgage broker. I faxed copies of the forged documents to the Office of the Attorney General of the State of Florida for review since not only were the borrowers' signatures forged but also the Sellers' signatures.

I sent to you under separate cover our rebuttal response to the complaints we filed with the New York State Division of Human Rights and New York State Banking Department- Mortgage Division regarding the deceptive and fraudulent loans that we were misled into signing at the closing. The true terms of the loan transactions were not disclosed until closing and as a matter of fact the loan was approved on forged signatures submitted by our mortgage broker. There were two sets of disclosure documents and lender (Fremont) never properly disclosed the true terms of the transaction.

I have been working with NYS Banking Department and NYS Division of Human Rights on this issue and the lender in this case Fremont Investment and Loan is asserting that disclosure was given to the mortgage broker directly and mailed to the borrowers on September 16, 2006 the same date the loan was approved. The odd thing about this case is that the loan application submitted on September 13, 2006 by our mortgage broker, WCS Lending has forged signature of the borrowers as well as the Sellers. Fremont's response is that disclosures were mailed to the borrowers on the September 16, 2006 and a counter-off on September 29, 2006 but borrowers do not have a copy of the letter, despite the fact that the borrowers signed different disclosure documents on September 20, 2006. NYS Department of Banking believes that this might be a criminal matter and that the police or district attorney should be contacted. America's Servicing Company, who is the loan servicer and a Wells Fargo & Company subsidiary has refused to offer any type of loan modification or repayment options on the mortgage and the investor in this case (U.S. Bancorp, serving as Trustee for the Securitization Master Trust) has no real input in the matter.

We would appreciate any assistance in this matter.

Derrick and Yolanda Grimes
23 Stacy Lee Drive
Newburgh, New York 12550

4/27/2007



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ANDREW M. CUOMO
ATTORNEY GENERAL

212-416-8294

DIVISION OF PUBLIC ADVOCACY
BUREAU OF CONSUMER FRAUDS AND PROTECTION

April 13, 2007

Darriek & Yolanda Grimes
23 Stacy Lee Drive
Newburgh, NY 12550

Re: Our File No. 2007-600048
Company: America's Servicing Company

Dear Darriek & Yolanda Grimes:

On behalf of Attorney General Andrew M. Cuomo, I am writing to notify you that we have received your correspondence. We appreciate your alerting us to this matter.

We note that you have already contacted the agency shown below. It appears that your complaint properly falls within that organization's purview and our office must respectfully defer to their expertise in this matter. By a copy of this letter, however, I am requesting that they review your complaint to determine if they can offer further assistance or suggestions.

Thank you for writing to our office. We will keep your correspondence on file for future reference.

Very truly yours,

Philip Gamma
Philip Gamma
Bureau of Consumer Frauds
and Protection

cc: NYS Department of Banking
Mortgage Division
One State Street
New York, NY 10004-1417

Grimes, Derrick

From: ServicePoint@fldfs.com
Sent: Friday, April 20, 2007 10:40 AM
To: Grimes, Derrick
Subject: [File Number: SI20070400283] WCS Lending

Dear Derrick and Yolanda Grimes:

Chief Financial Officer (CFO) Alex Sink shared your e-mail with me and asked that I respond on her behalf. We appreciate the opportunity to serve you.

Florida laws dealing with the mortgage and banking industry only apply if the mortgaged property is within the State of Florida. The companies may be located all over the United States but if they are writing mortgages on Florida property they fall under our jurisdiction. The exception to that are the Federal banks and their wholly owned subsidiaries which fall under federal laws. You may wish to contact the New York State Banking Department at the address below:

Consumer Help Unit
New York State Banking Department
One State Street
New York, NY 10004-1417
(212) 709-5470

If you have additional questions or concerns, you may call our Consumer Helpline at 1-800-342-2762 within Florida or (850) 413-3132 from outside Florida. A Specialist will be happy to assist you. Also, current information in banking, insurance and financial issues is available through our free Consumer eViews Newsletter. If you are interested, you may subscribe by visiting our website at www.fldfs.com or calling our Consumer Helpline.

Sincerely

Mary A. Westbrook
Insurance Specialist II

Exhibit G

Applicants: Derrick Grimes / Yolanda Grimes
Property Addr: 23 Stacy Drive, Boca Raton, FL 33487
Prepared By: WCS Financial Services Ph. 866-927-6363
6801 Congress Avenue, 3rd Floor, Boca Raton, FL 33487

Case: 1:08-cv-01024-JGK Document 21-10 Filed 06/16/2008
Application No: Grimes Yolanda NT88658
Date Prepared: 05/13/2008
Loan Program: 2/28 ARM

Page 2 of 6

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Loan Amount \$	405,000	Interest Rate:	8.000 %	Term:	360 / 360 mths.
ITEMS PAYABLE IN CONNECTION WITH LOAN:					
802	Loan Origination Fee				\$
803	Loan Discount				
804	Appraisal Fee				
805	Credit Report		(PAID)	300.00	
806	Lender's Inspection Fee				
808	Mortgage Broker Fee	1.000%		4,050.00	
809	Tax Related Service Fee			60.00	
810	Processing Fee			650.00	
811	Underwriting Fee			405.00	
812	Wire Transfer Fee				
	Application Fee			295.00	
	Flood Certification			9.50	

1100 TITLE CHARGES:					
1101	Closing or Escrow Fee			\$	
1105	Document Preparation Fee				195.00
1108	Notary Fees				
1107	Attorney Fees				
1106	Title Insurance:	NY (Orange) Purchase Owners		500.00	
	Title Search			2,104.00	
	Title Exam			195.00	
	Miscellaneous Title			150.00	
				300.00	

1200 GOVERNMENT RECORDING & TRANSFER CHARGES:					
1201	Recording Fees:			\$	150.00
1202	City/County Tax Stamps:	City/County Tax Stamps			810.00
1203	State Tax Stamps:				

1300 ADDITIONAL SETTLEMENT CHARGES:					
1302	Pest Inspection			\$	

900 ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:					Estimated Closing Costs	10,173.50
901	Interest for	15 days @ \$	90,000.00	per day	\$	1,350.00
902	Mortgage Insurance Premium					
903	Hazard Insurance Premium					
904						900.00
905	VA Funding Fee					

RESERVES DEPOSITED WITH LENDER						
1001	Hazard Insurance Premiums	5 months @ \$	75.00	per month	\$	375.00
1002	Mortgage Ins. Premium Reserves	months @ \$		per month		
1003	School Tax	months @ \$		per month		
1004	Taxes and Assessment Reserves	2 months @ \$	585.00	per month		1,170.00
1005	Flood Insurance Reserves	months @ \$		per month		
		months @ \$		per month		
		months @ \$		per month		

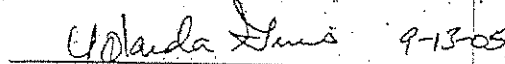
TOTAL ESTIMATED SETTLEMENT CHARGES					Estimated Prepaid Items/Reserves	3,795.00
						13,968.50

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENTS:			
Purchase Price/Payoff (+)	450,000.00	New First Mortgage (-)		Principal & Interest		2,971.75	
Loan Amount (-)	405,000.00	Sub. Financing (-)		Other Financing (P & I)		270.00	
Est. Closing Costs (+)	10,173.50	New 2nd Mktg Closing Costs (+)		Hazard Insurance		75.00	
Est. Prepaid Items/Reserves (+)	3,795.00			Real Estate Taxes		585.00	
Amount Paid by Seller (-)				Mortgage Insurance			
Cash Deposit	(10,000.00)			Homeowner Assn. Dues			
				Other			
Total Est. Funds needed to close				48,968.50	Total Monthly Payment	3,901.75	

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Applicant: 
Derrick Grimes

Date: 9/13/05

Applicant: 
Yolanda Grimes

Date: 9-13-05

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount \$	405,000	Interest Rate:	7.000 %	Term:	360 / 360 mths
ITEMS PAYABLE IN CONNECTION WITH LOAN					
801	Loan Origination Fee				\$
802	Loan Discount				
803	Appraisal Fee			(PAID)	300.00
804	Credit Report				
805	Lender's Inspection Fee				
808	Mortgage Broker Fee	1.000%			4,050.00
809	Tax Related Service Fee				60.00
810	Processing Fee				575.00
811	Underwriting Fee				405.00
812	Wire Transfer Fee				
	Application Fee				225.00
	Flood Certification				9.50

TITLE CHARGES					
1101	Closing or Escrow Fee:				\$
1105	Document Preparation Fee				195.00
1106	Notary Fees				
1107	Attorney Fees				500.00
1108	Title Insurance:	NY (Orange) Purchase Owners			2,104.00
	Title Search				195.00
	Title Exam				150.00
	Miscellaneous Title				300.00

GOVERNMENT RECORDING & TRANSFER CHARGES					
1201	Recording Fees:				\$
1202	City/County Tax/Stamp:				150.00
1203	State Tax/Stamp:				

ADDITIONAL SETTLEMENT CHARGES					
1302	Pest Inspection				\$

ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
Estimated Closing Costs					9,218.50
901	Interest for	15 days @ \$	78.7500	per day	\$
902	Mortgage Insurance Premium				1,181.25
903	Hazard Insurance Premium				
904					900.00
905	VA Funding Fee				

RESERVES DEPOSITED WITH LENDER					
1001	Hazard Insurance Premiums	5 months @ \$	75.00	per month	\$
1002	Mortgage Ins. Premium Reserves	months @ \$		per month	375.00
1003	School Tax	months @ \$		per month	
1004	Taxes and Assessment Reserves	2 months @ \$	585.00	per month	1,170.00
1005	Flood Insurance Reserves	months @ \$		per month	
		months @ \$		per month	
		months @ \$		per month	

Estimated Prepaid Items/Reserves					3,626.25
TOTAL ESTIMATED SETTLEMENT CHARGES					12,844.75

COMPENSATION TO BROKERS (If Paid by Lender, Lender Paid)					
Lender Paid Comp 0-4%					

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE					
Purchase Price/Payoff (+)	450,000.00	New First Mortgage (-)		Principal & Interest	2,694.48
Loan Amount (-)	405,000.00	Sub Financing (-)		Other Financing (P & I)	270.00
Est. Closing Costs (+)	9,218.50	New 2nd Mto Closing Costs (+)		Hazard Insurance	75.00
Est. Prepaid Items/Reserves (+)	3,626.25			Real Estate Taxes	585.00
Amount Paid by Seller (-)				Mortgage Insurance	
				Homeowner Assn. Dues	
				Other	

Total Est. Funds needed to close	57,844.75	Total Monthly Payment	3,624.48
----------------------------------	-----------	-----------------------	----------

☐ This Good Faith Estimate is being provided by a mortgage broker, and no lender has been obtained. These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). A additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Darrick Grimes 9/20/05 *Yolanda Grimes* 9/20/05
Applicant Darrick Grimes Date Applicant Yolanda Grimes Date

Settlement
19,268
charges

Note: This form is furnished to give you a statement of actual settlement costs. Amounts by and to and by settlement agent are shown. Items marked P.O.C. were paid outside closing; they are shown here for informational purposes and are not included in the totals.

Name and Address of Borrower: Rick Grimes & Yolanda Grimes 1900 Ave 17412		E. Name and Address of Seller: Ronald J Cohen & Ann Eve Cohen 23 Stacey Lee Drive Newburgh, NY 12550		F. Name and Address of Lender: Fremont Investment & Loan 5404 Cypress Center Ste 300 Tampa, FL 33609	
Property Location: Stacey Lee Drive Newburgh, NY 12550		H. Settlement Agent: Majestic Settlement Services 55 Washington Street, Suite 851 Brooklyn, NY 11201		I. Settlement Date 10/12/2005	
Gross Amount Due From Borrower		Gross Amount Due to Seller			
Contract Sales Price	450,000.00	401. Contract Sales Price		450,000.00	
Personal Property		402. Personal Property			
Settlement Charges to Borrower (line 1400)	22,915.82	403.			
Payoff to Wilshire Credit Corporation		404.			
Payoff to		405.			
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance			
City/town taxes 1/1 to 12/31	458.03	406. City/town taxes 1/1 to 12/31		458.03	
County Taxes to		407. County Taxes to			
Assessments to		408. Assessments to			
School Taxes to		409. School Taxes to			
Fuel Oil 1567.50		410. Fuel Oil 1567.50			
Propane 604.20		411. Propane 604.20			
Pool Closing 500.00		412. Pool Closing 500.00			
Gross Amount Due From Borrower	476,045.35	420. Gross Amount Due to Seller		453,129.73	
Amounts Paid By or To Borrower		Reductions in Amounts Due to Seller			
20,000.00		501. Excess deposit (see instructions)			
405,045.35		502. Settlement charges to seller (line 1400)		27,850.00	
Existing loan(s) taken subject to		503. Existing loan(s) taken subject to			
Borrowers Credit		504. Payoff ABN AMRO		250,000.00	
21,566.85		505. Payoff Chase Bank One		164,451.15	
Early Closing 3,000.00		506. Deposit		20,000.00	
Seller's Concession 13,500.00		507. Early Closing		3,000.00	
		508. Seller's Concession		13,500.00	
		509.			
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller			
City/town taxes to		510. City/town taxes to			
County Taxes to		511. County Taxes to			
Assessments to		512. Assessments to			
School Taxes 7/1 to 6/30 1501.97		513. School Taxes 7/1 to 6/30 1501.97			
Maintenance 11.96		514. Maintenance Fee 11.96			
		515.			
		516.			
		517.			
		518.			
Total Paid By/For Borrower	484,580.81	520. Total Reduction Amount Due Seller		480,315.09	
Cash At Settlement Escrow To Borrower		Cash At Settlement Escrow To Seller			
Amount due from borrower (line 120)	476,045.35	601. Gross Amount due to seller (line 420)		453,129.73	
Amount paid by/for borrower (line 220)	484,580.81	602. Less reductions in amt. due to seller (line 520)		480,315.09	
	11,464.74	303. Cash To From Seller		27,185.36	
Cash From To Borrower		Cash To From Seller			
Borrower		Seller			

PAID FROM BORROWER'S FUNDS AT SETTLEMENT		PAID FROM SELLER'S FUNDS AT SETTLEMENT	
10,800.00	to Easy Lifestyle		
15,120.00	in Century 21 Anzures		
commission paid at settlement			15,920.00
PAID IN CONNECTION WITH LOAN:			
Broker Fee to Fremont Investment & Loan		894.00	
page Broker Fee to WCS Lending		1,450.00	
lication fee to WCS Lending		395.00	
raisal Fee to POC (\$360.00)			9.50
nd Certification Fee paid to Land America Tax and Flood Services			60.00
Service Fee to Land America Tax and Flood Services			
Pro WCS Lending from Fremont Investment & Loan POC (\$6,075.00)			
closing fee to WCS Lending		945.00	
FEES REQUIRED BY LENDER TO BE PAID IN ADVANCE:			
Interest from 10/12/05 to 11/01/05 @ \$93.76/day		1,875.00	
ard insurance premium for months To Allstate POC 1,383.00			
od insurance premium for yrs To			
negate Adjustment			
FEES DEPOSITED WITH LENDER:			
azard insurance	4 months @ \$115.25 per month	461.00	
longage insurance	months @ \$ per month		
ity property tax	12 months @ \$172.00 per month	2,064.00	
own/Village property tax	months @ \$ per month		
lood insurance	months @ \$ per month		
chool tax	6 months @ \$ 420.85 per month	2,525.10	
School Tax	months @ \$ per month		
Adjustment		(2,718.94)	
OTHER CHARGES:			
Tourier Fee/Wire to Majestic Settlement Services		125.00	
utorary Fee to Majestic Settlement Services Inc.		850.00	
Escrow Service Fee to			
New Survey Inspection		815.00	
Owner's Coverage to Perfect Abstract		524.54	
00		1,224.00	
Fed Ex and Courier Fee to		100.00	
Endorsements to Perfect Abstract		540.00	
Municipal Searches to Perfect Abstract			
Commission Charge and Clearance fee to			
GOVERNMENT RECORDING AND TRANSFER CHARGES:			
Recording Fee	Deed \$ 150.00 Mortgage \$ 175 Release \$ 130	325.00	136.00
City/county tax/stamp	Deed \$ Mortgage \$		
State tax/stamp	Deed \$ Mortgage \$ (1.44 pt lender POC \$1013.50)	1,210.00	1,800.00
RP 5217			
ADDITIONAL SETTLEMENT CHARGES:			
Travel Fee to Majestic Settlement Services		100.00	
Taxes to Perfect Abstract		3,566.00	
TOTAL SETTLEMENT CHARGES:		22,915.82	27,850.00

Sing Date:

n Number:

Address:

Buyers(s) and Seller(s) Certification

I have carefully reviewed the attached HUD-1 Settlement Statement and to the best of my knowledge and belief it is a true and accurate statement of all receipts and disbursements made on account or by me in this transaction. All the information on the attached HUD-1 is as it appeared at the time of execution. No changes or additions have been made to the document since the time of closing. I further certify that I have received a copy of the HUD 1 Settlement Statement.

Samuel A. [Signature]
Yolanda [Signature]

[Signature]
Ann [Signature]

Closing Agent

I certify that the HUD-1 Settlement Statement that I have prepared is a true and accurate account of this transaction. I have caused and will cause the funds to be disbursed in accordance with this statement.

[Signature]

WARNING: Section 1010, Title 18, U.S.C., "Department of Housing and Urban Development and Federal Housing Administration Transactions," provides: "Whoever for the purpose of . . . influencing in any way the action of such administration . . . makes, passes, utters or publishes any statement, knowing the same to be false . . . shall be fined not more than \$5,000.00 or imprisoned not more than two years, or both."

Exhibit H

VIA FACSIMILE AND
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 28, 2006

America's Servicing Company
3476 Stateview Blvd., MAC X7801-03K
Fort Mill, South Carolina 29715
Attn: Loss Mitigation Department

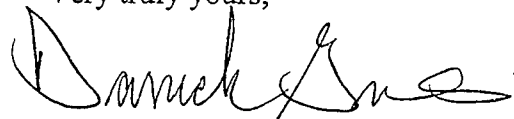
Re: Loan Number: 1146013644

Ladies and Gentlemen:

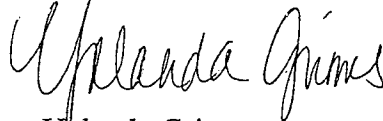
This letter will serve as formal notice to exercise our Right of Rescission and cancel the above referenced loan transaction under the Truth in Lending Act and Home Ownership and Equity Protection Act of 1994.

We hereby cancel the above- referenced loan transaction pursuant to violation of the Truth in Lending Act, and this Notice of Right of Rescission will become effective immediately as of December 28, 2006.

Very truly yours,



Darrick Grimes



Yblanda Grimes

23 Stacy Lee Drive
Newburgh, New York 12550
September 28, 2007

VIA FACSIMILE AND CERTIFIED MAIL

America's Servicing Company
7495 New Horizon Way
Frederick, Maryland 21703
Attn: Attn: Loss Mitigation Department

Re: Loan No. 1146013644
Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Ladies and Gentlemen:

This letter shall serve as notice that America's Servicing Company has improperly failed to take the required steps to return the borrowers' money and void the security interest in the above-referenced property pursuant to their Right of Rescission provided on December 28, 2006. We properly exercise our Right of Rescission and cancel the mortgage transaction and provided prompt and timely notice to you on December 28, 2006 pursuant to the Truth in Lending Act, 15, U.S.C. Section 1635 and Regulation Z, [15 C.F.R.] Section 226.23.

You are required under the Regulation Z, upon twenty days after receipt of the Notice of Rescission to return all monies paid and to take action necessary and appropriate to terminate the security interest in the borrower's property. The legal requirement that a lender returns borrower's monies and take action to terminate their security interest in the property within twenty days of receiving a rightful notice of rescission is a regulatory requirement under Regulation Z and the Truth in Lending Act. We asserted our rights to rescind the mortgage transaction pursuant to Regulation Z and Section 1635 of the Truth in Lending Act.

America's Servicing Company has failed to properly address the Notice of Rescission and take the necessary actions and steps to return all monies or property to the borrowers and take the required action to terminate the security interest created by the fraudulent mortgage loan transaction. This is a clear violation of the requirements of Section 1635 of the Truth in Lending Act and the legal remedy for such actions can result in liability for America's Servicing Company in terms of monetary damages to the borrowers for willful intention not to return all monies and termination of security interest in the property.

I am again writing this letter to your attention for assistance in resolving a fraudulent and predatory lending issue on the above-referenced account and to alert you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. Wells Fargo & Co. and/or America's Servicing Company sold, assigned or transfer the mortgage loan to your institution in February 2006. As a threshold in attempting to resolve this matter America's Servicing Company has not address any issues relating to fraudulent acts by Fremont Investment and Loan which has been issued an Order to Cease and Desist from the Federal Deposit Insurance Corporation, dated March 7, 2007. Furthermore all responses relating to America's Servicing Company's position regarding the collection of a fraudulent loan have not been addressed (Forbearance Agreement and/or Loan Modification).

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. We are pursuing our position that a fraudulent act was committed by WCS Lending LLC and Fremont and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions.

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" – where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" – where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We are also requesting state and federal regulators to review America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather than denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We had several discussions with senior counsel of US Bancorp and the Federal Deposit Insurance Corporation and Federal Reserve Bank of San Francisco regarding this matter. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement. We will be vigorously pursuing our fraud claims under New York law based upon the fact that "a representation of material fact was made," "the falsity of the representation, knowledge by the party making the representation that it was false when made to borrowers and the lender justifiable reliance on the mortgage broker resulting in injury to borrowers".

The element of our fraud claim and fraudulent concealment will be based upon the falsified and forged mortgage application and related documentation and the Contract of Sale between purchasers and sellers signed by employed personnel of WCS Lending and/or Fremont. The fraudulent concealment element of the fraud was to prevent borrowers from discovering the true terms and conditions of the loan until Closing. This deceptive act is a violation of New York General Business Law, Section 349, which deceptive acts were directed at consumers in the State of New York, with the intentionally deceptive act of misleading in a material way and causing financial injury to the borrowers. We will produce strong supporting documentation including an **Affidavit from the Seller (NYS Bar Licensed Attorney)** that there signature were forged on the Contract of Sale and Addendum submitted to the underwriters at Fremont by WCS Lending, which will provide strong credibility to our fraud claim in NYS courts.

Whether WCS Lending or Fremont had malice intent to harm borrowers will be fact findings of the courts. The mere fact of concealment by WCS Lending and Fremont not to disclose and state the true terms and conditions of the loans prior to the Closing date in a reasonable time frame and the discovery of fraudulent signatures of the mortgage application and related disclosure documents provides strong evidence in a fraud claim regarding misrepresentation of material facts, active concealment of material facts and conspiracy to defraud borrowers that WCS Lending and Fremont.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter. As an initial matter of facts, WCS Lending and Fremont have violated the Fair Housing Act. Section 360(b) of the Fair Housing Act prohibits discrimination "against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provisions of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or conditions of such transaction, because of race, color, religion, sex, handicap, familial status, or national origin."

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 through October 31, 2007. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amended and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to re-negotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

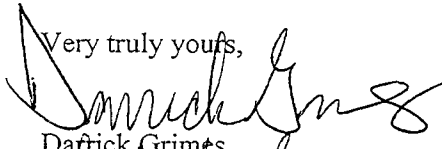
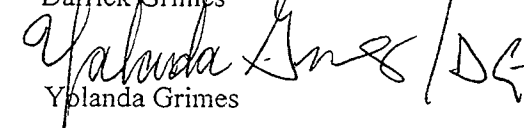
We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance:	\$304, 625.58 (a)
Reduction of Interest Rate:	5.00%
Waive Interest Due:	\$89,010.00
Waive Late Fees:	\$1,583.64
Waive Recoverable Corporate Advance	\$1,522.87
Maturity Date	November 30, 2035 (Fixed 30 years)

Please review our proposed terms with US Bancorp and senior management of America's Servicing Company and advise us in writing on or before October 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on January 1, 2008.

We look forward to an amicable resolution in this matter.

Very truly yours,

Darrick Grimes

Yolanda Grimes

cc: U.S. Department Housing and Urban Development
U.S. Comptroller of Currency, Customer Service Group

(a) This amount reflects a deduction of \$100,375.00 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$89,010.00 mortgage interest paid year to date from Closing.

October 15, 2007

VIA FACSIMILE (866) 453-6315

Ms .Linda Parker
America's Servicing Company.
P.O. Box 10328
Des Moines, Iowa 50306-0328

Re: Loan Number 106-1146013644

Dear Ms. Parker:

This letter shall serve to respond to your previous correspondences in particular to your letter dated October 10, 2007. We are advising you again, that we are exercising our extended rights to rescind the above-referenced loan transaction, and hereby exercise that right pursuant to 15 U.S.C. §§ 1635 et seq. and 1639(j). We retain the right to rescind because of multiple violations of the Truth in Lending Act, 15 U.S.C §§ 1601 et seq. and the Home Ownership and Equity Protection Act, 15 U.S.C §§ 1639 et. seq.

The security interest held by U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor, the trustee for the securitization pool of mortgages and successor in interest as a result of this transaction is void upon receipt of this recession pursuant to 15 U.S. C. §§ 1635 and 1639(j) and 12 C.F.R. §§ 226.23. Federal regulations require that within twenty days after receipt of this notice of recession you return all monies paid and take any action necessary and appropriate to reflect termination of the security interest.

The Truth in Lending Act gives you the right to cancel any real estate loan transaction within three business days without penalty, provided, however, that the lender has not violate any provisions of the TLIA. Any violation of the TLIA gives a borrower the legal extended right to rescind the loan against any lender pursuant to 15 U.S.C. §1635 and 12 C.F.R §§ 226.23 for material misrepresentations of loan terms and failure to deliver all material disclosures as required by the Act and Regulation Z §§ 226.17(a).

A borrower is also entitled to an extended right of recession against any assignees of the loan pursuant to 15 U.S.C. §1641(c) pursuant to the multiple violations under the Truth in Lending Act. A lender and/or a mortgage broker that has intentionally and willfully committed any fraudulently act (s) or intentionally and knowingly induced a borrower to enter into a mortgage related loan transaction by fraud or misrepresenting material terms of a loan or by failing to provide material disclosure requirements regarding a loan has willfully and maliciously deceived and misled a customer in violation of the Deceptive Practices Act, General Business Law §§ 349 under the laws of the State of New York. The misrepresentation to a borrower that the annual interest rate on the subject mortgage or failure to provide true and accurate loan disclosure prior to scheduled Closing is a violation of the Deceptive Practices Act.

You have previously stated in numerous correspondences that America's Servicing Company obtained the servicing of our loan on February 1, 2006. That would be one hundred eight (108) days after the closing date of the fraudulently induced Note and Mortgage originated by Fremont Investment & Loan dated on October 12, 2005. You also stated that the normal recession period would have ended on October 15, 2005. You correctly state what would have been a normal recession period if fraud and misrepresentation of material terms were not involved in the transaction. However, you do not state any of the facts of forged signatures of the Seller and the Purchaser/Borrower on a Contract of Sale or the forged signatures on the fraudulently submitted mortgage application and related documents of the borrowers.

Please advise me if you have contacted (U.S. Bank, N.A.) the investor regarding the serious fraud claims that the borrowers have discovered on this loan that you are currently servicing. It appears that America's Servicing Company has taken the position that servicing of fraudulently induced Notes and Mortgages or criminal activity by any lender is not a major concern for the investors in the U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor.

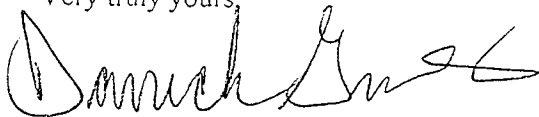
The extended recession period would be triggered upon any willful and intentionally committed fraudulent act by a lender and/or mortgage broker when such acts result in the willful failure to properly make required disclosure clearly in writing in violation of 15 U.S.C. §1632(a) and Federal Reserve Board Regulation Z, 12 C.F. §226. Therefore the extended recession period would start upon the borrower first discovery and disclosure of fraud by Fremont Investment and Loan and WCS Lending LLC for intentional failure to deliver all material disclosures as required by the Act and Regulation Z.

While America's Servicing Company's position is that all legal action should be directed to Fremont Investment and Loan and WCS Lending LLC, the Note and security interest in the property were secured by fraud and forged signatures and as such America's Servicing Company is attempting to collect monies on a fraudulent transaction with a Note and security interest that should be null and void based upon the facts in this matter.

As previously stated before America's Servicing Company is servicing a loan that was fraudulently induced and a mortgage application and related disclosure documents that were submitted upon false pretense for the very purpose of committing fraud on the borrowers and obtaining a mortgage approval with forged signatures with lender.

Upon completion of these responsibilities, we will perform all necessary actions required by 15 U.S.C. §§ 1635 and 12 C.F.R. §§ 226.35.

Very truly yours,

A handwritten signature in black ink, appearing to read "Darrick Grimes", with a stylized flourish at the end.

Darrick Grimes

Exhibit I

Letter to Ms. Sachie Tanaka
Federal Deposit Insurance Corporation
Re: Complaint of Darrick and Yolanda Grimes
Your File No.: SCC2007W-002073-0
March 28, 2007

GOODBYE LETTER

01/12/06

12 100-000054 0001

DARRICK GRIMES
23 STACY LEE DR
NEWBURGH NY 12550-8750

Property Address: 23 STACY LEE DR, NEWBURGH, NY 12550
Fremont Investment & Loan Number: 6000182284

NOTICE OF ASSIGNMENT, SALE, OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your first mortgage loan, that is, the right to collect payments from you, has been assigned, sold, or transferred from Fremont Investment & Loan to AMERICA'S SERVICING COMPANY effective 02/01/2006.

The assignment, sale or transfer of the servicing of your first mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice no later than 15 days before the effective date of transfer or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date or at closing.

Your present servicer is Fremont Investment & Loan. If you have any questions relating to the transfer of servicing from your present servicer, call the Customer Service Center between 8:00 a.m. and 6:00 p.m., PST, Monday through Friday. The number is (800) 776-7511. This is a toll free number.

Your new servicer is AMERICA'S SERVICING COMPANY. The business address for your new servicer is P.O. BOX 10328, DES MOINES, IA 50306-0328. The payment address for your new servicer is P.O. BOX 37297, BALTIMORE, MD 21297-3297. If you have any questions relating to the transfer of servicing to your new servicer, call the Customer Service Department at 800-222-6557, MONDAY THROUGH FRIDAY 8:00 AM TO 6:00 PM EST.

The date that your present servicer will stop accepting payments from you is 01/31/2006. The date your new servicer will start accepting payments from you is 02/01/2006. Send all payments due on or after that date to your new servicer. Please note that any automatic drafting/ACH service will also be cancelled as of 01/31/2006. If you are interested in re-establishing this automatic draft/ACH method with your new servicer, please contact their Customer Service Department after the transfer date.

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, those services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At year-end, Fremont Investment & Loan will send you a statement reflecting your account activity for the portion of the year we serviced your loan. Your new servicer will send a statement for the portion of the year they serviced your loan. You will need to consolidate both statements to obtain the totals you paid for principal and interest.

(Over)

(continued)

You should be aware of the following information, which is set out in more detail in Section 6 of RESPA (12 U.S.C. 2605):

During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed upon you.

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, those services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At year-end, Fremont Investment & Loan will send you a statement reflecting your account activity for the portion of the year we serviced your loan. Your new servicer will send a statement for the portion of the year they serviced your loan. You will need to consolidate both statements to obtain the totals you paid for principal and interest.

You should be aware of the following information, which is set out in more detail in sections of RESPA (12 U.S.C. 2605)

During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Section 6 of RESPA (12 U.S.C. 2605) gives certain consumer rights. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 business days of receipt of your request.

A "qualified written request" is a written correspondence other than notice on a payment statement or other payment medium supplied by the servicer that includes your name and account number, and your reasons for the request.

Not later than 60 Business Days after receiving your request, your Servicer must make appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your Servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request. However, this does not prevent the Servicer from initiating foreclosure if proper grounds exist under the mortgage documents.

A Business Day is a day on which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of the Section. You should seek legal advice if you believe your rights have been violated.

Sincerely,
Fremont Investment & Loan

Fremont Investment & Loan is attempting to collect a debt and any information obtained will be used for that purpose.



February 9, 2006

RE: New Loan Number: 1146013644
Old Loan Number: 6000182284

005230

Darrick Grimes
Yolanda Grimes
23 Stacy Lee Dr.
Newburgh NY 12550-8750



Dear Valued Customer:

This letter is being sent to inform you that the servicing of your loan has transferred to America's Servicing Company effective February 1, 2006. The transfer of mortgage servicing is a common practice in today's market and does not affect any terms or conditions of your mortgage, other than those provisions related to the servicing of your mortgage. Please refer to the Notice of Assignment for the Real Estate Settlement Procedures Act (RESPA) printed on the reverse side of this letter for more information. America's Servicing Company is committed to providing the quality service you are accustomed to and to ensuring a smooth transition.

Beginning February 1, 2006, please direct payments to America's Servicing Company. America's Servicing Company will send you a billing statement each month after your payment is received. If you wish to make a payment greater than the amount due, please indicate how you wish to have the additional funds applied.

All payments and correspondence regarding your loan should be addressed as indicated below:

PAYMENT:

America's Servicing Company
PO Box 37297
Baltimore MD 21297-3297

CORRESPONDENCE:

America's Servicing Company
P.O. Box 10328
Des Moines, IA 50306-0328

include your old loan number, or America's Servicing Company loan number on all inquiries to assure prompt response to your needs during the transition period. When you send in a check to make your payment, America's Servicing Company may clear the check electronically. Receipt of your check at the address listed on your payment coupon will authorize us to process your payment as an electronic debit to the checking account on which the check was written. If your mortgage check does not clear and is returned, we may withdraw funds from your account electronically. Normally, if this occurs your check will not be returned to you with your bank statement but you can obtain a copy by other means.

If your mortgage payments were drafted from an account this service was discontinued. This may be a good time to consider the convenience of our Automatic Mortgage Payment (AMP106) program and begin deducting your mortgage payment from your checking or savings account. If interested, please call America's Servicing Company Customer Service at 866-222-6557 and reference AMP106 to enroll over the phone. You may also return the enclosed application to the correspondence address referenced above.

If you currently have credit life or other optional insurance, it will not transfer to America's Servicing Company.

No later than January 31st of next year, America's Servicing Company will provide you with a statement reflecting the amount of mortgage interest paid by you to America's Servicing Company.

The goal of America's Servicing Company is to continue to meet your expectations of service. If you have any questions regarding this transfer please call America's Servicing Company Customer Service at 866-222-6557, Monday through Friday 8:00 a.m. to 6:00 p.m. Eastern Standard Time. If you have any questions relating to your loan activity prior to the transfer of servicing, please call your previous servicer below:

Previous Servicer: Fremont Investment and Loan
Toll Free Phone Number: 1-800-776-7511
Hours of Operation: 6:00 a.m. to 6:00 p.m. PST, Monday through Friday

Sincerely,

Leesa Whitt-Potter
Vice President
Customer Operations

WF66294/DD

**FREMONT**
INVESTMENT & LOAN

03/14/06

14 100-001979 0603

DARRICK GRIMES
23 STACY LEE DR
NEWBURGH NY 12550-8750Property Address: **23 STACY LEE DR, NEWBURGH, NY 12550**
Fremont Investment & Loan Number: **6000182344****NOTICE OF ASSIGNMENT, SALE, OR TRANSFER OF SERVICING RIGHTS**

You are hereby notified that the servicing of your second mortgage loan, that is, the right to collect payments from you, has been assigned, sold, or transferred from **Fremont Investment & Loan** to **OCWEN LOAN SERVICING LLC** effective **04/03/2006**.

The assignment, sale or transfer of the servicing of your second mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice no later than 15 days before the effective date of transfer or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date or at closing.

Your present servicer is Fremont Investment & Loan. If you have any questions relating to the transfer of servicing from your present servicer, call the Customer Service Center between 6:00 a.m. and 6:00 p.m., PST, Monday through Friday. The number is (800) 776-7511. This is a toll free number.

Your new servicer is OCWEN LOAN SERVICING LLC. The business address for your new servicer is **P.O. BOX 785055, ORLANDO, FL 32878-5055**. The payment address for your new servicer is **P.O. BOX 6440, CAROL STREAM, IL 60197-6440**. If you have any questions relating to the transfer of servicing to your new servicer, call the Customer Service Department at **800-74-OCWEN, MONDAY THROUGH THURSDAY, 9:00 AM-9:00 PM EST, FRIDAY 9:00 AM-6:30 PM EST**.

The date that your present servicer will stop accepting payments from you is **04/02/2006**. The date your new servicer will start accepting payments from you is **04/03/2006**. Send all payments due on or after that date to your new servicer. Please note that any automatic drafting/ACH service will also be cancelled as of 04/02/2006. If you are interested in re-establishing this automatic draft/ACH method with your new servicer, please contact their Customer Service Department after the transfer date.

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, these services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At year-end, Fremont Investment & Loan will send you a statement reflecting your account activity for the portion of the year we serviced your loan. Your new servicer will send a statement for the portion of the year they serviced your loan. You will need to consolidate both statements to obtain the totals you paid for principal and interest. (Over)